

**ANNUAL
REPORT**

2023

2024





ACKNOWLEDGEMENT OF COUNTRY

CITB acknowledges the Kurna people as the Traditional Custodians of the Adelaide region. We pay our respects to all Elders, past, present and emerging.

We recognise and deeply value First Nations Peoples, their cultural heritages and beliefs and in particular, the Kurna people's custodianship of the land at the heart of our business.

We sincerely acknowledge the profound depth of connection to Country of First Nations Peoples across Australia.

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GLOSSARY OF TERMS

Throughout this report, the term 'apprentice' is used to refer to both apprentices and trainees, and 'apprenticeships' refers to apprenticeships and traineeships.

LETTER TO THE MINISTER

The Honourable Blair Boyer MP
Minister for Education, Training and Skills
GPO Box 1563
ADELAIDE SA 5001

Dear Minister,

I am pleased to present the Construction Industry Training Board (CITB) Annual Report for the 2023-24 financial year.

Construction Industry Training Fund levy revenue for the 2023-24 period was \$30.3M, an increase of \$1.2M compared with the previous financial year.

An increased focus on levy compliance activities during the year has assisted in generating additional levy income of \$0.5M compared to the budget.

The CITB invested \$29M across its three key signature programs over the period, an increase of \$4.1M compared with the previous financial year:

- 2,645 secondary students from Year 7 to Year 12 participated in doorways2construction® (D2C) programs (increase of 14% from last year)
- 148 industry immersion programs delivered across the state
- 7,607 apprenticeships supported by CITB (an increase of 44% from last year)
- \$18.6M to support on- and off-the-job training for apprentices
- \$2.7M on apprentice incentives including Career Driven, work equipment vouchers and apprentice incentive payments

- 158 new school based apprentices registered with CITB, compared with 62 in the previous year, 155% increase
- \$6.5M on Short Course Training programs, attributed to an increase in funding and 11% increase in courses undertaken compared with FY2022-23
- Two intakes (52 participants) for the tradie2trainer program to support the growing need for trainers and assessors.

The Annual Report includes the CITB Financial Statements for FY2023-24 and the unqualified Audit Report from the Auditor-General. CITB are very pleased to note the Audit Report did not identify any significant financial reporting or management issues over the reporting period.

Yours Sincerely,



John Chapman
Presiding Member

OUR BUSINESS

CITB IS A WHOLE-OF-INDUSTRY LED ORGANISATION THAT PROVIDES SUPPORT TO ATTRACT, TRAIN AND RETAIN SOUTH AUSTRALIAN BUILDING AND CONSTRUCTION WORKERS BY PROVIDING LEADERSHIP IN TRAINING AND SKILLS DEVELOPMENT.

CITB:

- provides access to subsidised training for apprentices, their employers and workers in the industry
- promotes and supports careers in construction
- advises the SA Government on industry training
- supports training innovation, research and planning
- attracts our future workforce through vocational education and training in schools by supporting the [doorways2construction®](#) program

VISION

South Australia is home to the most skilled, safe and productive building and construction workforce.

MISSION

Advance South Australia's building and construction industries by funding quality training and initiatives that attract and develop a highly-skilled workforce.

VALUES

Supporting South Australia's building and construction industry through

- collaboration
- innovation
- integrity
- responsiveness

STRATEGIC GOALS 2023-2026:



GOAL 1 LEVY

Ensure effective governance and administration of the CITF Act

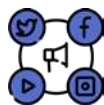
1. Meet compliance and risk requirements
2. Maximise the benefits to our industry through effective use of our funds and resources



GOAL 2 PROGRAM

Lead innovative and high quality education and training in the building and construction industry

1. Revitalise training policy and program delivery
2. Develop research and training program development capacity
3. Undertake workforce planning for our industry
4. Support a diverse and inclusive workforce



GOAL 3 MARKETING & COMMUNICATION

Expand awareness of the building and construction industry and the CITB brand

1. Promote the CITB brand to educate industry and government on CITB's role
2. Undertake communication, influence and engagement activities across the industry, government, training and education sectors



GOAL 4 TECHNOLOGY SERVICES

Improve efficiency, security, productivity, tools and platforms

1. Automation and integration of information technology resources and tools
2. Protect customer and business data and meet compliance requirements

OUR BUSINESS

FUNCTIONS

As set out in the Construction Industry Training Fund Act 1993 the Construction Industry Training Board was established to administer the fund and to coordinate appropriate training. Each program area detailed later in this Report is linked to Section II of the Act.

The functions of the Board are:

- to act as a principal adviser to the State and Federal Ministers on any matter relating to training in the building and construction industry and in particular to provide advice in relation to:
 - skill requirements for the building and construction industry and the training arrangements to meet those requirements
 - pre-employment and training programs
 - any other matter referred to the Board for advice by either of those Ministers
 - to administer the Construction Industry Training Fund
 - to prepare training plans in accordance with the Act
 - generally, coordinate training and personnel development within the industry
- to promote increased productivity, career opportunities, personal satisfaction and occupational health and safety within the industry
 - to review and evaluate employment-related training programs to ensure training and skill requirements are met
 - to ensure a more equitable distribution of effort amongst employers in relation to employment-related training
 - to initiate, carry out, support or promote research into training and personnel needs
 - to liaise with educational, professional and training bodies in all sectors regarding training and personnel development within the building and construction industry
 - to promote, undertake and support programs designed to facilitate the international exchange of information relevant to training or personnel development
 - to perform any functions that are necessary or convenient for or incidental to the performance of functions referred to above



THE LEVY

CITB collects a levy of 0.25% on the value of building and construction projects in South Australia with a value of \$40,000 or more.

The levy is received from the housing, commercial and civil construction sectors and is the source of all funding for industry training programs and operations of CITB. The funds are redistributed back to the sectors in the form of programs:

- construction career pathways - doorways2construction®
- funding to support industry specific apprenticeships
- subsidised short courses

BENEFITS TO SA'S CONSTRUCTION INDUSTRY

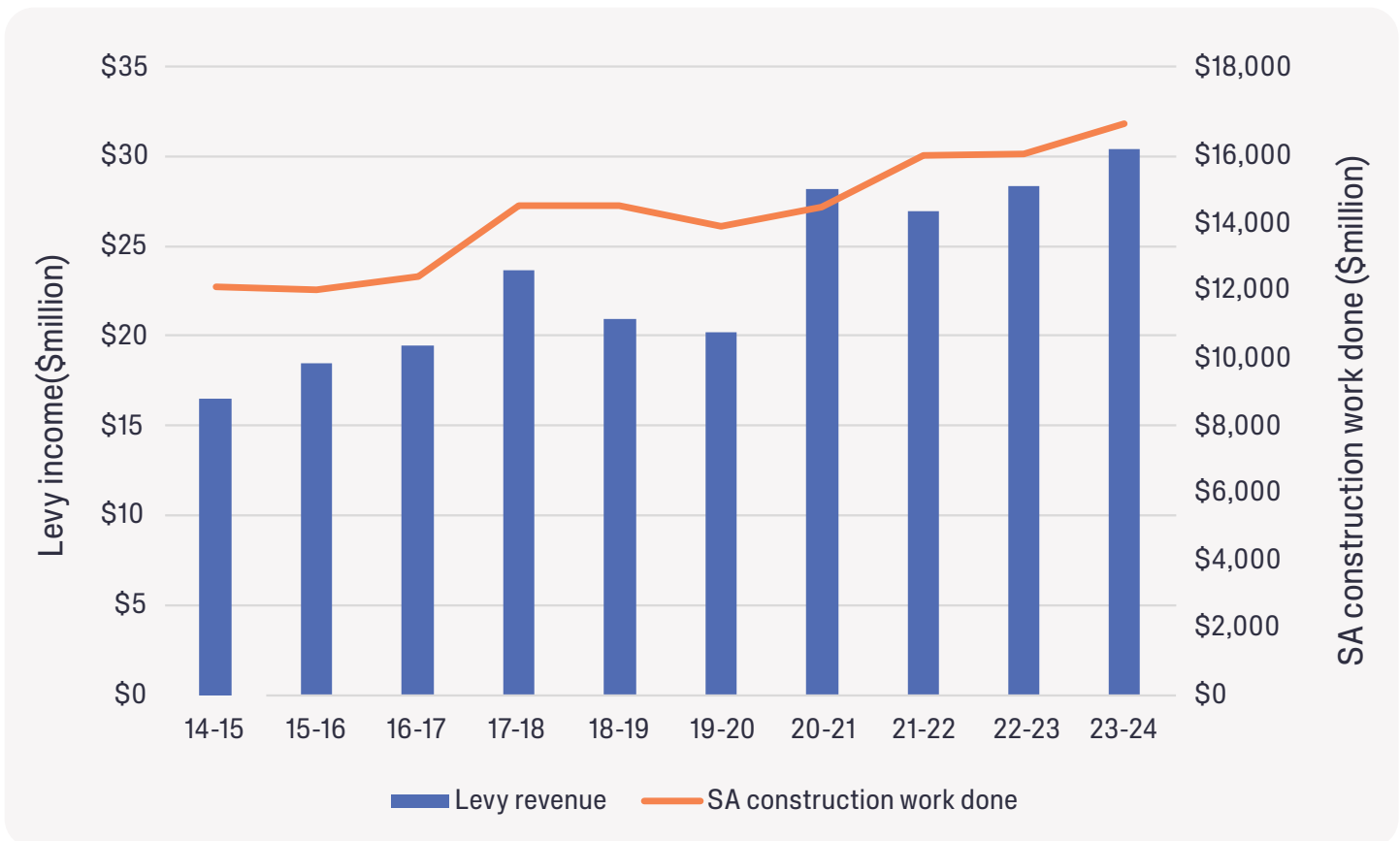
Industry funding makes skills training more affordable and accessible and helps South Australia's construction industry meet its demand for skilled workers now and into the future.

Key elements of our funding program are:

- increasing the skills level in the construction industry workforce through education and training
- promoting careers in the construction industry in schools

As outlined in Graph 1, levy income reached \$30.3M and is in line with construction work performed in South Australia during FY2023-24 and FY2022-23. There will be fluctuations in the comparison of levy revenue and construction work performed due to the requirement to pay the CITF levy prior to building approval being granted and the timing of construction work being performed.

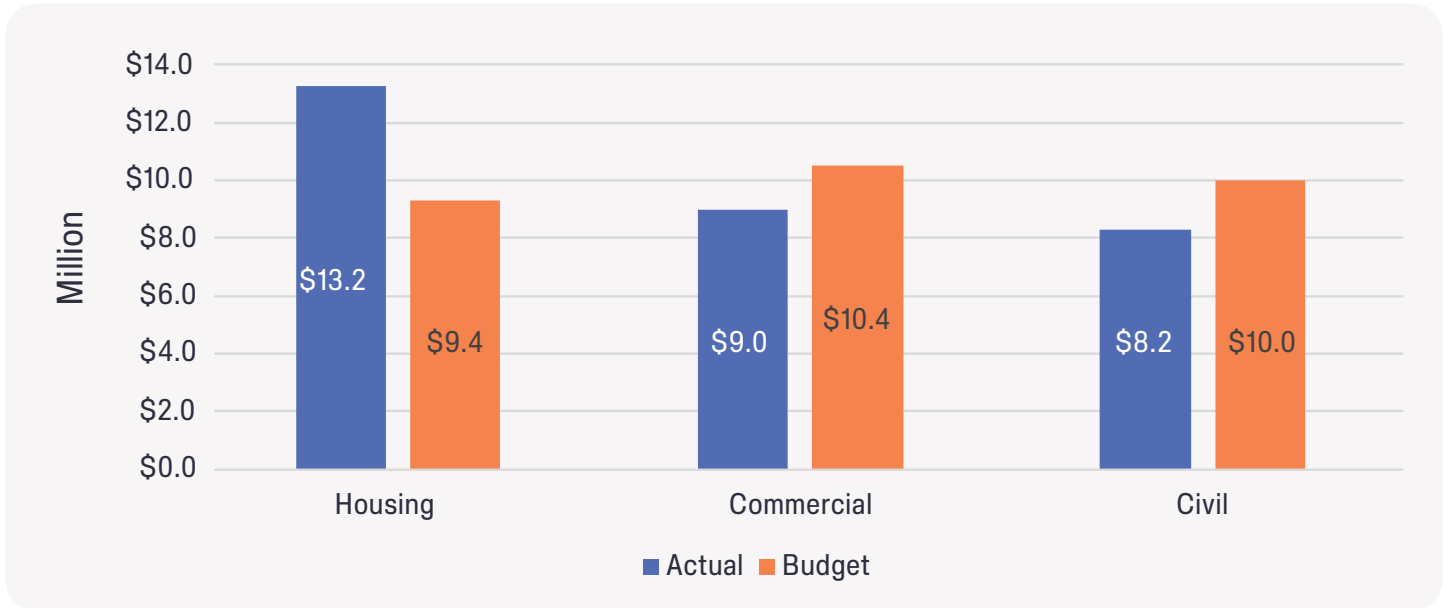
GRAPH 1: LEVY INCOME AND CONSTRUCTION WORK IN SOUTH AUSTRALIA



THE LEVY

An increased focus on levy compliance activities during the year has assisted in generating additional levy income of \$500K (Graph 2) compared to the budget and an increase of \$1.2M compared to the FY2022-23.

GRAPH 2: ACTUAL LEVY INCOME COMPARED TO BUDGET FOR FY2023-24 BY SECTOR



The housing sector exceeded budget by \$3.8M due to the continued demand for residential houses across South Australia, combined with the significant increase in construction costs over the past few years.

The volume of new homes being built and renovations to existing homes is consistent with the prior year.

The project category of apartment buildings, townhouses and multiple dwellings has driven the growth in the housing sector levy income. This category has increased by 76 projects compared to the prior year. The number of apartment buildings with a project value greater than \$10M has increased by 7, with a combined project value of \$420M, an increase of \$221M. This category includes affordable housing projects.

The commercial sector was under budget by \$1.4M, and below FY2022-23 by \$0.5M due to a reduction in the number of commercial projects that commenced in FY2023-24, a decrease of 216 projects or decline of 8%, offset by an increase in the average levy per commercial project of 19%.



The type and scope of Commercial projects differs significantly from year to year. As an example the category of Aged Care Facilities has seen a reduction of 56% in the average project value compared to the prior year, due to multiple renovation projects ranging from \$15M to \$22M, whereas in the current year all the projects were valued below \$8.6M.

FY2023-24 has seen an increase in the construction of health buildings, including Stage 1 of the new Women's and Children's Hospital and the Queen Elizabeth Hospital Mental Health Rehabilitation Facility.

Levy income for the civil sector was under budget by \$1.8M and consistent with the prior year. The civil sector levy income is driven by investment in major roadwork, rail and renewable infrastructure projects which included the following projects in FY2023-24; Fleurieu Connections Main South Road and Victor Harbor Road duplication, Majors Road Interchange for the Southern Expressway, continued work on the Gawler Rail Electrification project, upgrade of the berthing structures for the Kangaroo Island Ferry Services and Battery Energy Storage projects in various locations including Freeling, Mannum and Bungama.

Throughout FY2023-24, there has been a strong focus on levy compliance, ensuring that all stakeholders understand and adhere to the requirements of the CITF Act 1993 and related regulations. A key initiative in this effort was the Levy Education Campaign, which began with the introduction of the CITF Levy Fact Sheet ("Fact Sheet").

The Fact Sheet was designed as a comprehensive reference guide, providing greater transparency around the CITF Act requirements, specifically leviable and non-leviable building and construction activities within the housing, commercial and civil sectors. The response to the Fact Sheet continues to be overwhelmingly positive, with stakeholders expressing appreciation for the clarity and guidance it provides. As a direct result, there has been a marked increase in the frequency and timeliness of levy lodgements and project values capturing the full scope of leviable activities.

Strategic engagement meetings and regular dialogue with industry stakeholders was also a major focus during FY2023-24.

Following a thorough review of lodgements across various sectors, the levies team identified several areas of non-compliance and misinformation around leviable building and construction activities. In response, considerable effort has been dedicated to ensuring all sectors are fully informed and capable of meeting their obligations. This included correcting misguided processes and providing clear guidance on what constitutes leviable activities during a series of online and face-to-face meetings. These meetings were designed to walk industry through the lodgement process and clarify their duties and responsibilities under the CITF Act to ensure levy compliance. Overall, communication and compliance have significantly improved compared to previous years.

FROM THE PRESIDING MEMBER

The direction of the Construction Industry Training Board continues to evolve as it endeavours to meet industry needs and deliver on sound expenditure of levy income on behalf of the wider SA community who pay the levy.

In August 2023 the Board reshaped its strategy with a focus on:

- Effective governance and compliance
- Supporting high quality and innovative training and education
- Expanding awareness of the building and construction industry through marketing and communication
- Improving our technology and systems to support customer delivery and our operations

The strategy is backed by a values framework which was developed and approved by CITB staff and later endorsed by the Board. The four values are: collaboration; innovation; integrity; and responsiveness.

We continue to increase our focus on levy compliance in a cost-effective manner with increased effort paying major dividends in terms of income. Part of that focus has involved the production of comprehensive brochures which outline the scope of the levy.

This document has been well received and has provided project owners with a more accessible understanding of the scope of the levy requirements.

The CITB has undertaken a comprehensive review of its various programs supporting apprentices, industry employees and employers taking vital input from the commercial, civil and housing sector committees. These committees provide direct feedback which the Board considers when finalising its Training Program.

The multi-year Trade Up campaign to improve industry awareness was launched in October 2023 with a focus on television and cinema advertisements backed by extensive social media and other marketing initiatives.



FROM THE PRESIDING MEMBER

I would like to thank Will Fuller and his team at Fuller Brand Communications for their exceptional work on this campaign which will continue to evolve in the years ahead.

This has been reflected by the campaign receiving international awards for best TV and radio advertisements.

We have already seen direct engagement from the primary audience (students and their biggest influencers, parents/guardians).

There are encouraging early conversion rates with increases in enrolments across doorways2construction® and school-based apprenticeships of around 12% as well as increases in the number of schools offering VET programs.

Similar increases in numbers of existing construction workers registering with the CITB for training to enable upskilling and improved career pathways.

The increases in demand across all sectors required the Board to adjust its budget and submit a request to the Minister for Education, Training and Skills the Hon. Blair Boyer MP to adjust the 2023/24 Training Plan and this was subsequently approved.

We are seeing some extraordinary workforce demands emerging with the State Government research indicating that some 17,000 extra building and construction workers will be needed in the next three years simply to deal with major infrastructures projects such as the South Road Tunnels, new Women's and Children's Hospital project and housing demands.

What is challenging is that virtually every industry is facing a skills crisis, so it has become imperative to improve the ability to attract people into the industry in the short, medium and long terms.

As I outlined in my report last year, the Board is continuing to work through options to develop a Construction Careers Centre which would be aimed at providing secondary school students with an interactive experience of the wide variety of roles on offer. The CITB prudently commissioned

an independent party to prepare a preliminary business plan. The business plan showed that the benefits of such a centre would: "translate into a more prepared, knowledgeable and motivated workforce continuing to contribute to the growth and success of the industry." The plan also supported a positive financial return on the forecast investment. Consultation with key industry stakeholders has also strongly supported the project.

We are continuing to work with the State Government on possible locations and financial support for such a centre.

Our technology refresh continued with the first stage of our upgrade of the ageing "TALAS" system nearing completion and the new "Construct" system due to come online. The first component will provide a more stable and user-friendly interface with levy payers. The second stage will modernise the training subsidy and payment system for the benefit of apprentices, other employees and employers. The Board is continuing to apply an ongoing focus on cyber security during the development of Construct and the maintenance of TALAS.

On 1st May 2024, the State Government introduced legislation to amend the Construction Industry Training Fund Act 1993 (Act).

This followed a comprehensive review of the Act by Peg Consulting. I would like to thank the State Government for its wide, ongoing and genuine consultation on the review and now the proposed changes which at the time of writing were before the Legislative Council.

Many of the changes reflect the need to update an Act which is more than 30 years old to reflect contemporary practices.

Practical changes include removing GST from the estimated project value that the levy is based on, increasing the levy threshold from \$40,000 to \$100,000, and a clearer definition of who is required to pay the levy.

FROM THE PRESIDING MEMBER



The most significant change is the move from an annual to a three year Training Plan which will allow the Board to plan more strategically and create a level of certainty for beneficiaries of the fund including training providers.

The CITB Governing Board is committed to improving diversity in the building and construction industry and is funding a number of programs to support First Nations, Mature Age apprentices and women in non-traditional trades.

Understanding these challenges is first and foremost, with the Governing Board committed to improving its skills and knowledge as it navigates the forward training path.

I congratulate the staff of the CITB for developing our first Reflect Reconciliation Action Plan (RAP) which sets out how we can all improve our links with our indigenous partners and the wider First Nations communities.

The Board had the opportunity to engage with Aboriginal Elder John Lochowiak in a cultural awareness workshop tailored specifically for our needs.

I would like to thank the Education, Training and Skills Minister the Hon. Blair Boyer MP and his staff for their support of the CITB.

Finally I would also like to thank my fellow Board members, CEO Holly Willcox and staff at the CITB for their commitment to developing the current and next generation of employees in the building and construction industry.

John Chapman
Presiding Member



FROM THE CEO

Every part of the building and construction industry – from major infrastructure projects to commercial builds to new homes – relies on skilled workers to get the job done. But with most construction activity in our state performed by small businesses with limited training capacity, centralised investment in training skilled workers is critical.

The Construction Industry Training Board is proud of its role identifying future workforce needs and helping young people access training now, to fill vital jobs into the future. In SA, planning is underway for many major projects to be delivered in coming years and we anticipate a sharp increase in demand for the construction workforce.

For this reason, in the 2023-24 year, the Board focused on positioning its programs to deliver a workforce that can meet projected needs.

With steady growth in construction activity continuing through the year, the total value of construction work reached \$15.9 billion (a 3% increase on the previous year) and the industry contributed 7.1% to Gross State Product (the largest in the last five years).

Fortunately, a thriving construction sector means levy contributions remain high. This revenue allowed the Board to provide training support to an 80,000+ strong workforce, with investment of \$18.6M in Apprenticeship Training Support programs, \$2.7M in Apprenticeship Incentive programs and \$6.5M in Short Course Training programs.

The Board also boosted its efforts to attract the next generation of workers with its successful 'Trade Up' campaign and the rolling expansion of school-based programs. The *doorways2construction*[®] and Industry Immersion programs continue to grow, and over 200 Flexible Industry Pathway students transitioned to an apprenticeship.

Our CEO Advisory Committee was established to advance diversity and inclusion within the industry, and has focused on sharing expertise, researching disparities and setting actionable goals to improve workplace opportunities. The Committee is encouraged by more women, First Nations and regional students accessing school-based programs.

The Board was pleased to see the new Construction Industry Training Fund legislation introduced to Parliament in May 2024, and we thank Education, Training and Skills Minister the Hon. Blair Boyer MP for leading the charge in this regard.



The changes seek to ensure the CITB is well equipped to serve the building and construction industry into the future, including by addressing skills shortages. With eight out of the ten most in-demand occupations facing shortages, implementing strategies to reverse this trend is critical to the sustainability of our sector.

We are optimistic that the new dashboard on our website that enables easy monitoring of long-term projects and skills demands represents another step in the right direction. This initiative provided vital input into the State Government's recent Construction Workforce Plan, and it's great to see the activities of agencies starting to come together.

I am confident that the range of actions and initiatives currently underway will stand the Board - and the sector - in good stead to tackle impending workforce challenges.

I would like to thank members of the Governing Board and the Presiding Member, as well as our Endorsed Training Providers and Sector Advisory Committees, for their continued dedication and hard work. I am also grateful to our staff whose efforts make our achievements possible.

Like all members of the building and construction sector, the CITB's workforce remains our most valuable asset.

Holly Willcox
CEO

THE CONSTRUCTION INDUSTRY TRAINING BOARD

On 15 June 2023 the Minister for Education, Training and Skills gazetted ten members of the Construction Industry Training Board. They were appointed by the Governor, pursuant to the provisions of the Construction Industry Training Fund Act 1993. The Board held its first meeting on 21 June 2023.



John Chapman
Presiding Member
Former SA Small
Business Commissioner



Andrew Clarke
Executive Officer,
Master Plumbers
Association SA



Maree Wauchope
CEO, Barunga West
Council



Rebecca Pickering
CEO, Civil Contractors
Federation SA



Stephen Knight
Executive Director,
Housing Industry
Association SA



Cassie Manser
Director - Capture Culture



Mardi Conduit
Barrister, Edmund Barton
Chambers



William Frogley
CEO, Master Builders
Association of SA



John Adley
Trade Union Secretary
CEPU SA



Gary Henderson
Australian Workers' Union,
acting Branch and State
Union Secretary and National
Vice President Australian
Workers' Union (AWU)

MEMBER	MEMBER TYPE	MEMBER TERM		COMMITTEE MEMBERSHIP FY2023-24
		Commenced	Concludes	
John Chapman SA Government – Office of Industry Advocate	Presiding Member	20 June 2023	19 December 2024	Finance, Risk & Audit Committee (Observer) Training Policy Committee
Andrew Clarke Executive Officer, Master Plumbers Association SA	Member (Industry)	20 June 2023	19 December 2024	Training Policy Committee
Maree Wauchope CEO, Barunga West Council	Member (Industry)	20 June 2023	19 December 2024	Finance, Risk & Audit Committee
Rebecca Pickering CEO, Civil Contractors Federation SA	Member (Industry)	20 June 2023	19 December 2024	Training Policy Committee
Stephen Knight Executive Director, Housing Industry Association SA	Member (Industry)	20 June 2023	19 December 2024	-
Gary Henderson Australian Workers' Union, acting Branch and State Union Secretary and National Vice President Australian Workers' Union (AWU)	Member (Industry)	20 June 2023	19 December 2024	Finance, Risk & Audit Committee
Cassie Manser Director - Capture Culture	Member (Industry)	20 June 2023	19 December 2024	Finance, Risk & Audit Committee
Mardi Conduit Barrister, Edmund Barton Chambers	Member (Non-Industry)	20 June 2023	19 December 2024	Finance, Risk & Audit Committee
William Frogley CEO, Master Builders Association of SA	Member (Employer Representative)	20 June 2023	19 December 2024	-
John Adley Trade Union Secretary CEPU SA	Member (Employee Representative)	20 June 2023	19 December 2024	Training Policy Committee

CORPORATE GOVERNANCE

The Construction Industry Training Board met on 11 scheduled occasions during FY2023-24.

In addition, members of the Finance, Risk and Audit Committee met on 5 scheduled occasions during the same period. Members also attended a Board Strategic Planning Session in August 2023.

MEMBER	MEMBER TYPE	MEMBER TERM		BOARD MEETINGS FY23-24		FINANCE RISK & AUDIT COMMITTEE MEETINGS FY23-24	
		Commenced	Concludes	Held	Attended	Held	Attended
John Chapman	Presiding Member	20 June 2023	19 December 2024	11	11	5	4
Andrew Clarke	Member	20 June 2023	19 December 2024	11	10	-	-
Maree Wauchope	Member	20 June 2023	19 December 2024	11	10	5	5
Rebecca Pickering	Member	20 June 2023	19 December 2024	11	10	-	-
Stephen Knight	Member	20 June 2023	19 December 2024	11	9	-	-
William Frogley	Member	20 June 2023	19 December 2024	11	9	-	-
Mardi Conduit	Member	20 June 2023	19 December 2024	11	11	5	5
Gary Henderson	Member	20 June 2023	19 December 2024	11	9	5	4
Cassie Manser	Member	20 June 2023	19 December 2024	11	11	5	5
John Adley	Member	20 June 2023	19 December 2024	11	11	-	-

NOTE: The Presiding Member attended additional meetings each month, including ad hoc committees, Sector Committee meetings and meetings with Ministers and senior government officials along with regular meetings with the CEO.

AUTHORISED OFFICERS

Authorised Officers are appointed in accordance with Section 33 of the Construction Industry Training Fund Act 1993. At the 21 July 2022 and 27 October 2022 Board meeting, the Board appointed the following people as Authorised Officers under Part 7 Section 33 of the Construction Industry Training Fund Act 1993:

- John Chapman (Presiding Member)
- Holly Willcox (Chief Executive Officer)
- Toni Hartley (Director – Workforce, Skills & Training)
- Belinda Shipway (Director – Levies & Finance)

CITB SECTOR COMMITTEES

These are formed as a statutory requirement (S 13 (2)) to inform training policy development and resource allocation.

FINANCIAL COMPLIANCE REPORTING REQUIREMENTS

Although CITB is not an agency or instrumentality of the Crown, it is covered by some aspects of the Public Finance and Audit Act (1987) and Treasurer's instructions.

FRAUD

There were no incidents of fraud detected in FY2023-24.

The CITB's Risk Management Plan has been reviewed and updated and provides a framework for ongoing monitoring of potential fraud.

A system of financial delegations and multiple counter-signatories applies to all financial transactions. CITB management and staff collaborate closely with the Audit Office of South Australia's staff to monitor and adjust policy settings.

CONTRACTS EXCEEDING \$4M

CITB did not enter into any contracts in excess of \$4M within the reporting period, or which extended beyond the financial year.

CONSULTANTS

Consulting services are used primarily in augmenting the research capabilities of CITB. Details of consulting services engaged are provided in the notes to the Financial Statements.

STAFF EMPLOYMENT

CITB is tasked with administering the Construction Industry Training Fund Act 1993. However, it is not an agency or instrumentality of the Crown. CITB staff members are not public servants and are employed under individual employment contracts.

FREEDOM OF INFORMATION (FOI)

There was one FOI request lodged with CITB during the reporting year, in regard to accessing a levy project notice and receipt under the Planning Development and Infrastructure Act 2016.

BOARD REMUNERATION

Board member remuneration is set out under Premier and Cabinet circular PC 016 issued by the Department of the Premier and Cabinet (DPC).

FINANCIAL PERFORMANCE

The Audit Office of South Australia's unqualified report on the Financial Statements of CITB is at page 62 of this document. – outstanding as at 04.09.2024.

CONFLICTS OF INTEREST – DISCLOSURE BY BOARD MEMBERS

A Register of Interests was maintained over the FY2023-24 whereby members recorded in advance any interests which may conflict with those of CITB.

In the event that a potential conflict of interest may arise at a Board meeting, the Member is obliged to declare that a conflict of interest exists, then withdraw from further discussion and any vote that may be taken on the matter.

CORPORATE GOVERNANCE

BOARD TRAVEL EXPENSES REIMBURSED DURING THE PERIOD 1 JULY 2023 - 30 JUNE 2024

DATE	DESCRIPTION	BUSINESS PURPOSE	AMOUNT (INC GST)
PRESIDING MEMBER (EXPENSES REIMBURSED)			
17-Aug-23	Airfares (Adelaide – Perth return)	Visit Construction Training Fund (CTF) Construction Futures Centre (CFC)	\$906.32
17-Aug-23	Accommodation	Visit Construction Training Fund (CTF) Construction Futures Centre (CFC)	\$124.68
17-Aug-23	Taxi & Car Parking	Visit Construction Training Fund (CTF) Construction Futures Centre (CFC)	\$107.15
17-Aug-23	Meals	Visit Construction Training Fund (CTF) Construction Futures Centre (CFC)	\$75.55
9-Nov-23	Airfares (Adelaide – Perth return)	Australian Forum of Construction Industry Training Funds (AFCITF)	\$992.81
9-Nov-23	Accommodation	Australian Forum of Construction Industry Training Funds (AFCITF)	\$164.55
9-Nov-23	Taxi & Car Parking	Australian Forum of Construction Industry Training Funds (AFCITF)	\$133.67
9-Nov-23	Meals	Australian Forum of Construction Industry Training Funds (AFCITF)	\$31.37
12-Mar-24	Accommodation	Riverland and Mallee Vocational Awards Ceremony – 12 March 2024	\$140.00
12-Mar-24	Mileage	Riverland and Mallee Vocational Awards Ceremony – 12 March 2024	\$321.30
Total			\$2,997.40

DELEGATION

The Board maintains a schedule of financial delegations that is reviewed each year. Other delegations may be made periodically against specific actions or activities on an as required basis.

BUILDING THE ECONOMY



BUILDING THE ECONOMY

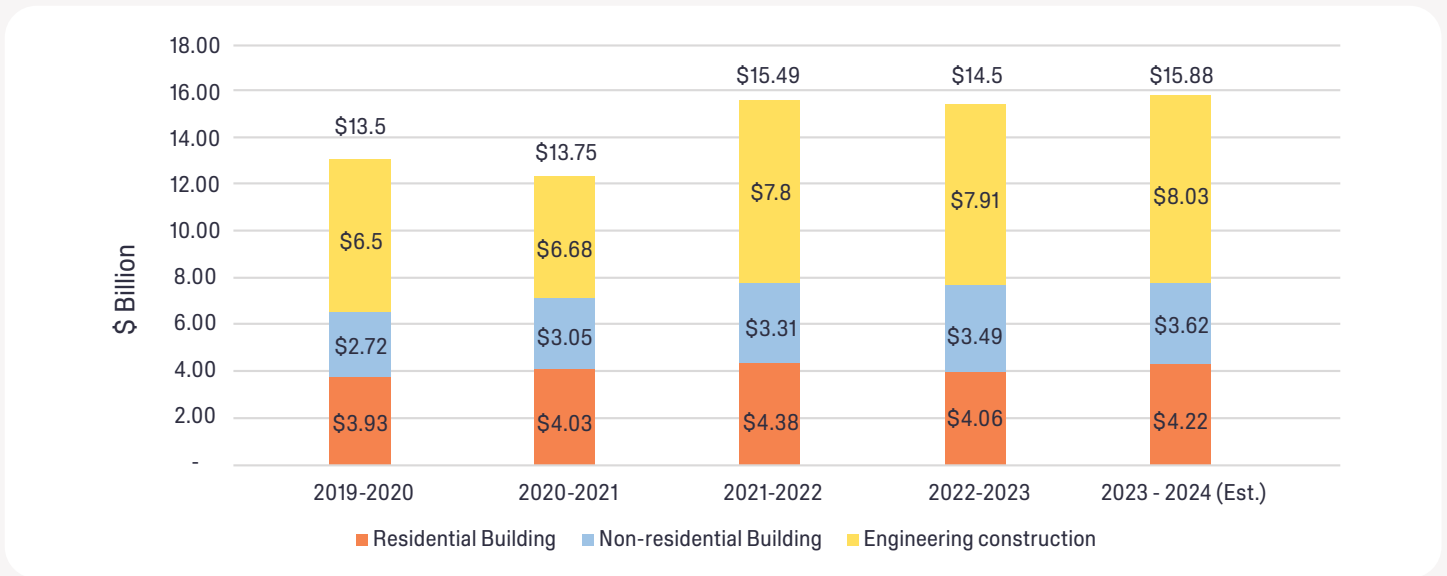
Due to cost-of-living pressure and high interest rates, the growth of the Australian economy is expected to be below the trend in FY2023-24. The section below summarises the South Australian construction industry during the year including its achievements, challenges and opportunities.

ACHIEVEMENTS

Increased construction work and higher contribution to State Gross Products

Despite the slowdown of economic activity all over the country, construction work in South Australia remained high for FY2023-24. The total work is expected to achieve \$15.9 billion which is 3% higher than last year and 15.6% above the decade's average¹. The increase occurred across all sectors, with engineering remaining the biggest sector in the industry (Graph 3).

GRAPH 3 - SOUTH AUSTRALIA CONSTRUCTION WORK DONE



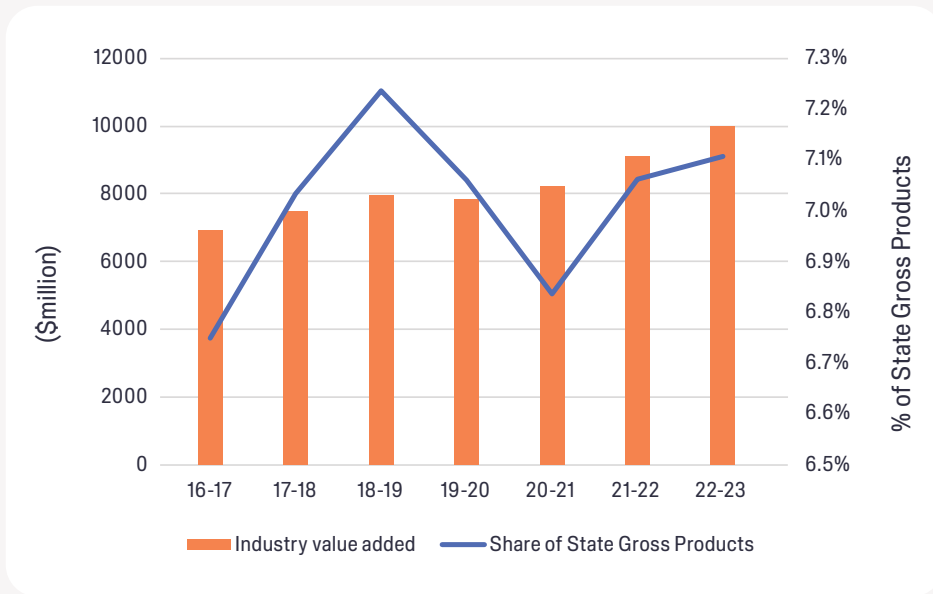
Source: ABS Construction Work Done, Australia, Preliminary (Table 5 & Table 8)

A higher volume of construction work has led to higher value added to the State economy by the industry. The industry contributed more than \$10 billion which accounted for 71% of the State Gross Products in 2022-2023, the highest contribution for the last 5 years. Strong construction activity also contributed to improving the State's status. South Australia was named the nation's top performing economy in the last 3 quarters of 2023-2024 thanks to ranking first in construction work and dwelling starts².

¹CommSec_State_of_the_States_July_2024.pdf

²CommSec_State_of_the_States_July_2024.pdf

GRAPH 4 - CONSTRUCTION INDUSTRY VALUE ADDED TO STATE GROSS PRODUCTS



Source: ABS Australian National Accounts: State Accounts (Table 5)

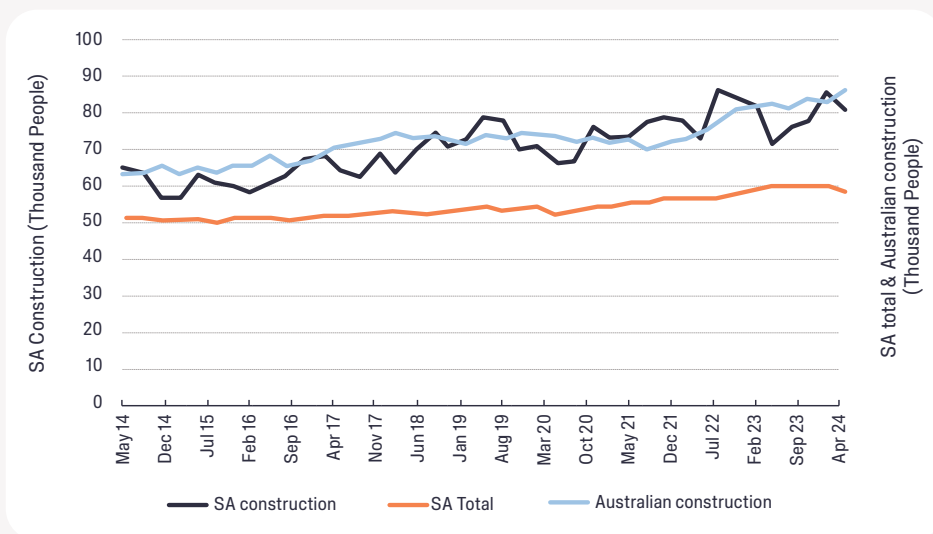
CHALLENGES

Volatile workforce and shortage of skilled tradies in most occupations

Despite the increase in construction work, the number of people working in the SA construction industry is highly volatile. The industry workforce reached the top in August 2022 with more than 85,000 workers. The number then declined to 71,800 employees in May 2023 and has since risen to 81,100 in May 2024.

Compared to the State labour force and the total employment in the Australian construction sector, the workforce in South Australia's construction industry is the most unpredictable and volatile (Graph 5).

GRAPH 5 - EMPLOYMENT IN SA CONSTRUCTION INDUSTRY



Source: ABS Labour Force, Australia, Detailed (Table 5)

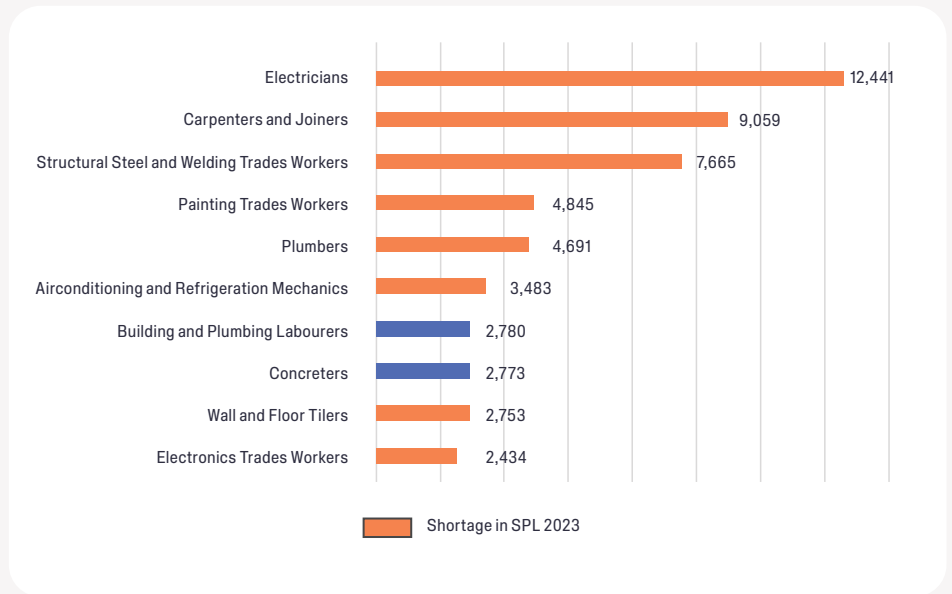
BUILDING THE ECONOMY

The biggest challenge of the industry is the workforce shortage in many occupations. Eight out of ten occupations employing the most workers are experiencing a shortage as identified in the Skilled Priority List 2023 (SPL 2023). Seven occupations remained as a shortage in 2024 (SPL 2024_draft).

Regional South Australia and Adelaide (together with regional WA) are in the top three areas with the most acute shortages of skilled tradespeople in the country³.

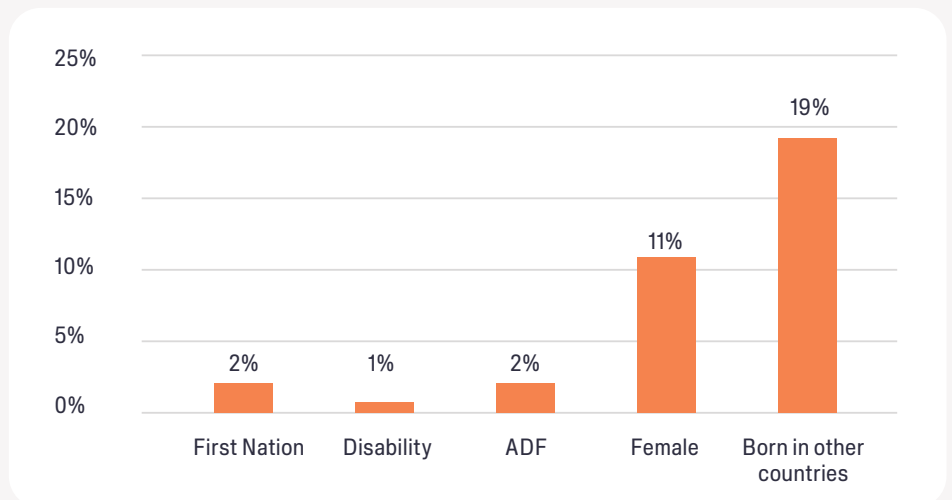
One possible reason for the trades shortage is the lack of diversity across the industry's workforce. Only 11% of construction workers are female and the percentage is lower in trade roles. The ratios of workers identifying as having a disability, in the Australian Defence Force (ADF) and First Nations People are extremely low, around 1%- 2% (Graph 7).

GRAPH 6 - TOP TEN OCCUPATIONS EMPLOYING MOST WORKERS AS AT MAY 2024 AND THEIR SHORTAGE STATUS



Source: ABS Labour Force, Australia, Detailed (Table EQ08)

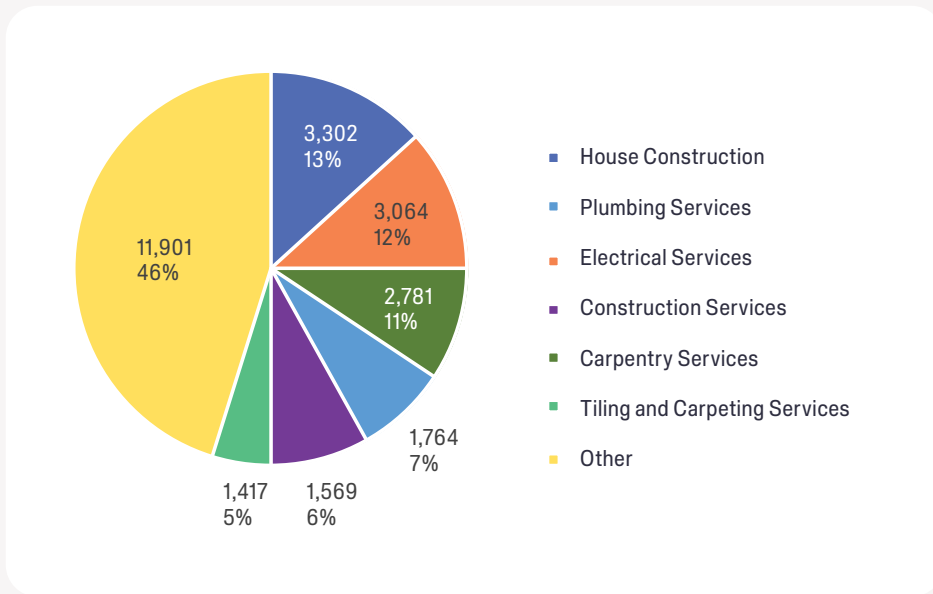
GRAPH 7 - DIVERSITY IN SA CONSTRUCTION WORKFORCE



Source: ABS Labour Force, Australia, Detailed (Table EQ06) and ABS Census 2021

³Access to skilled labour a barrier to 1.2 million new homes (hia.com.au)

GRAPH 8 - NUMBER OF BUSINESSES IN SA CONSTRUCTION INDUSTRY



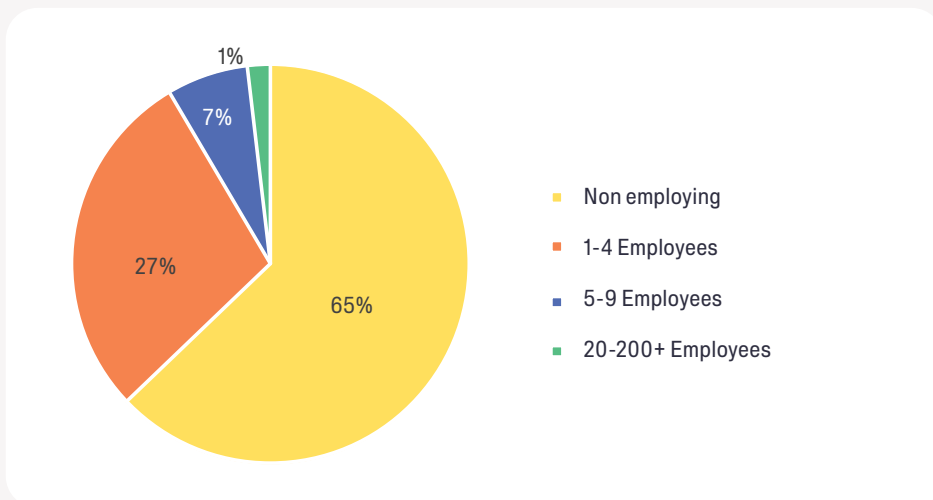
Source: ABS Counts of Australian Business, including Entries and Exits (Data cube 2)

Small size and vulnerable businesses

There are nearly 26,000 businesses operating in the construction industry as at June 2023. A majority are in the housing industry, electrical services, carpentry and plumbing (Graph 8).

A total of 92% are small businesses employing less than 4 employees. Among these businesses, most do not have employees (Graph 9).

GRAPH 9 - SIZE OF SA CONSTRUCTION BUSINESS



Source: ABS Counts of Australian Business, including Entries and Exits (Data cube 2)

BUILDING THE ECONOMY

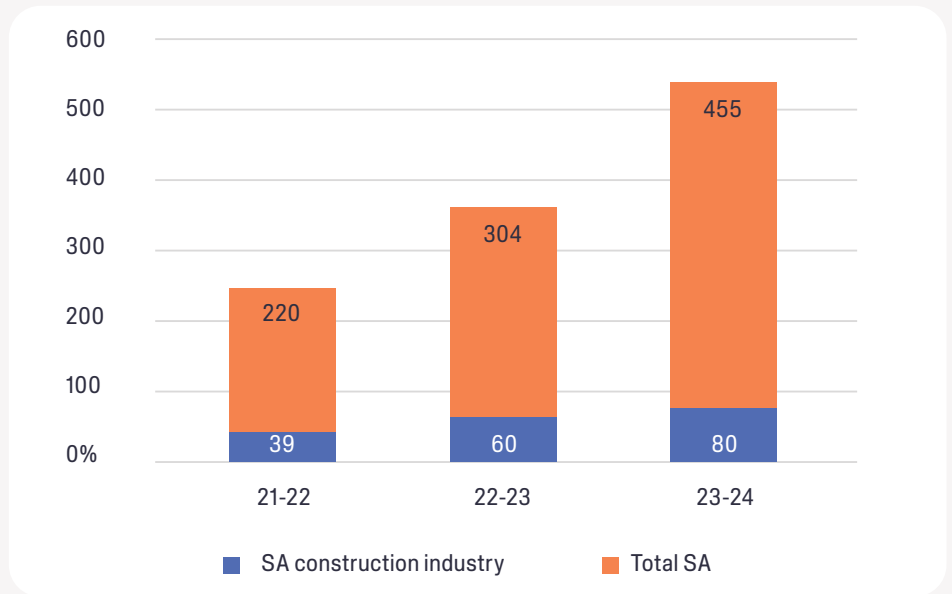
Building and construction businesses are among the most vulnerable. Our industry is in the top 2 sectors which had the most businesses enter external administration during the year (together with Accommodation and Food service), with 80 companies across South Australia entering into external administration in 2023-2024, 33% higher than last year.

OPPORTUNITIES

Slow growth of input prices improves builders' confidence

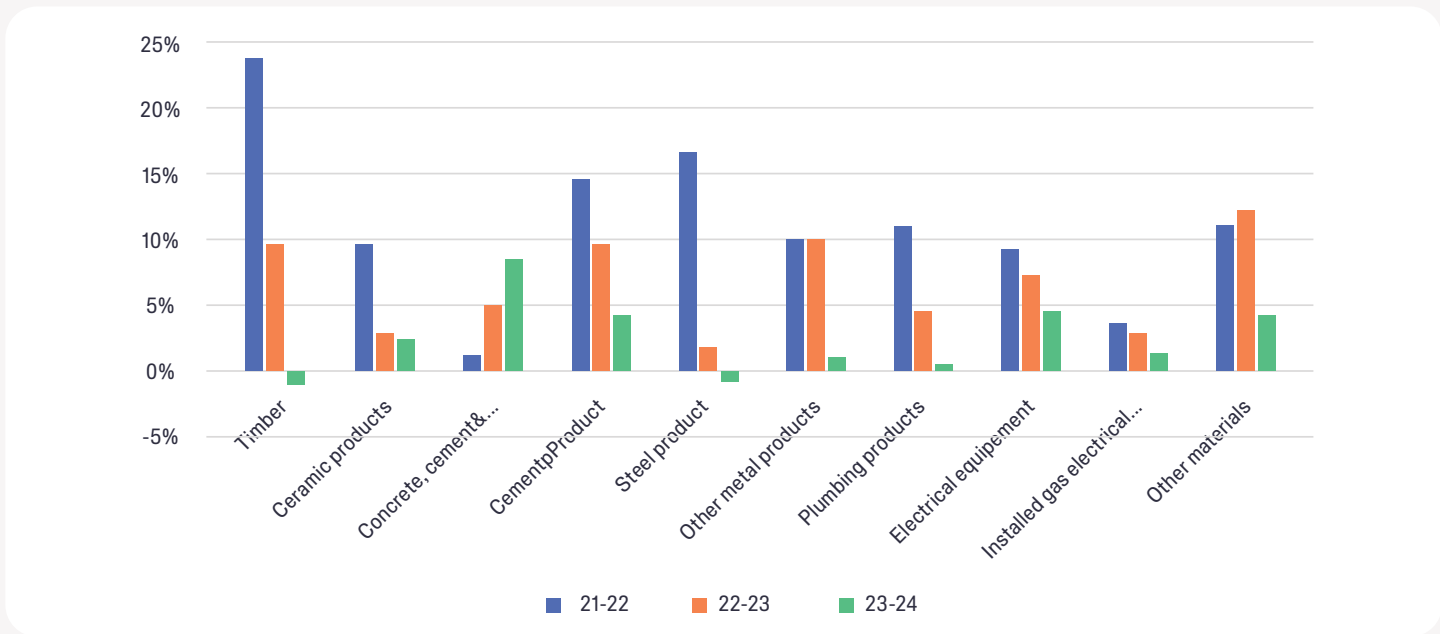
After years of accelerated growth, construction costs have stabilised, growing at the slowest annual rate in 22 years. Most input prices grew less than 5% during the year, especially prices of timber and steel which reduced compared to the previous year (Graph 10). It is likely that the easing in the growth of input prices alongside higher established housing prices, will gradually help to repair builder profit margins and flow through to providing more confidence for builders.

GRAPH 10 - NUMBER OF COMPANIES ENTERED EXTERNAL ADMINISTRATION



Source: ASIC, Australian insolvency statistics

GRAPH 11 - GROWTH RATES OF INPUT PRICE IN CONSTRUCTION INDUSTRY, ADELAIDE



Source: ABS, Producer price Indexes, Australia, Table 18

GOVERNMENT INVESTMENT INTO TRAINING AND FUTURE PROJECTS

Both Federal and State governments are committed to training and attracting more workers for the industry. Federal government is investing \$88.8M over three years from 2024-2025 to deliver 20,000 new fee-free TAFE places, including 5,000 pre apprenticeships in courses relevant to the construction sector. Furthermore, \$1.8M will be delivered to streamline skill assessment for around 1,900 migrants from comparable countries to work in housing construction industry⁴.

At the State level, \$275.6M will be used to increase the number of training places by around 35% to over 160,000, prioritising certain sectors including construction. This includes a 20% increase in TAFE SA places in regional SA. Relating to projects, together with \$843M housing package, \$25.6 billion will be spent on public sector infrastructure over four years from 2024-2025 to 2027-2028. Examples of big projects are North-South corridor – Torrens to Darlington (\$15.4 billion), the new Women’s and Children’s Hospital (\$3.2 billion)⁵. These investments are expected to ensure the pipeline of both projects and workforce for the industry in the coming years.

In summary, the 2023-2024 year has been a successful year for building and construction industry in South Australia. With strong activity level, the industry achieved highest contribution to State Gross Products in the last 5 years and improved the State ranking position in the country. However, the industry is still facing a number of challenges including shortage of skilled tradespersons and a volatile workforce. Understanding those challenges, CITB is working closely with industry stakeholders to develop the industry workforce. Besides the two main programs supporting apprentices and construction workers, CITB has established other programs targeting different cohorts including First Nations people (through AWDI), school students (through SBATS) and mature age workers (through MAS). CITB also invested in research to understand the career choices of our young people and their peers and launched the marketing campaign (Trade Up) to increase industry awareness and career pathways. Those initiatives will attract, train and retain workers as well as build up a skilful and diversified workforce for the industry.

⁴Budget 2024-25 Overview Glossy

⁵Infrastructure | State Budget 2024-25



INDUSTRY CONSULTATION

The CITF Act 1993 Section 13 Clauses (2) (3) requires the CITB to undertake frequent industry consultation to inform the prioritisation of programs, initiatives, and support for the year ahead.

SECTOR COMMITTEE CONSULTATION

The CITF Act 1993 prescribes the formation of Sector Committees in housing, commercial and civil to provide a strong representative industry focus. Sector Committee input is the principal mechanism through which the Annual Training Plan is developed.

These committees seek objective advice to inform and influence the quality of CITB policy development and decision making. Input from each of the Sector Committees is collated and considered by the Training Policy Committee.

The first meeting for the FY2023-24 was a combined Sector Committee Meeting, held on 1st August 2023, and individual Sector Committee Meetings for the Housing, Commercial and Civil Sectors in January 2024.

The FY2023-24 Sector Committee members include:

HOUSING SECTOR

MEMBER	MEMBER TYPE	ORGANISATION
Stephen Knight	Association	HIA - SA
Will Frogley	Association	Master Builders Association SA
Michael Morissey	Association	Brick and Block Careers
Lindsay McGrath	Association	Swimming Pool and Spa Association
Adrian Valente	Employee Rep	CEPU SA
Ben Cunningham	Practitioner	Watermark Painting
Aaron Genesis	Practitioner	Tectonic Tiling
Carmel Siciliano-Klemm*	Practitioner	Klemm Homes
Craig Fleming	Practitioner	National Assoc of Steel-framed housing
James Doyle	Practitioner	Creative Structures
Mitchell Hamdorf	Practitioner	Melisi
Julie Durand	Practitioner	Burbank
Josh Semmler	Practitioner	Urban Habitats

*retired from committee during 2023/2024

INDUSTRY CONSULTATION

COMMERCIAL SECTOR

MEMBER	MEMBER TYPE	ORGANISATION
Larry Moore	Association	NECA SA/NT Chapter
Andrew Clarke	Association	Master Plumbers Association SA
Kym Morgan	Association	MBA – SA
Chris Wiltshire	Association	HIA - SA
Stephanie Hansen	Association	NFIA
Alex Capper	Employee Rep	CEPU SA
Marcus Pare	Employee Rep	CFMEU
Andrew Marshall	Practitioner	Marshall Brougham
Chris Mattner	Practitioner	CME Group
Fernando D'apollonio	Practitioner	D&V Services
Fred Pascale	Practitioner	Pascale Construction
Jeffrey Piotto	Practitioner	Piotto Bros
John Fusco	Practitioner	Fusco Constructions
Richard Hough	Practitioner	Sarah Construction
Eddie Bampton	Practitioner	Built Environs

CIVIL SECTOR

MEMBER	MEMBER TYPE	ORGANISATION
Amanda Grocock	Association	Master Landscapers of SA
Rebecca Pickering	Association	Civil Contractors Federation CCF
Gary Henderson	Employee Rep	Australian Workers Union
Mark Palmer	Employee Rep	CFMEU
Ilario Roccisano	Practitioner	AECOM
Jodie Badcock	Practitioner	Resources and Engineering Skills Alliance
Loren Buob	Practitioner	Downer
Tim Bishop	Practitioner	BMD Constructions
Phil Gibson	Practitioner	LRM Constructions
Allan Jones	Practitioner	RAW Group
Adam Firth	Practitioner	Fleurieu Civil and Construction

RTO/GTO FORUM – 12th SEPTEMBER 2023

The annual RTO/GTO forum was held at the Highway Inn in Plympton and brought together representatives from CITB Endorsed Training Providers and Group Training Organisations to enable CITB to exchange information regarding the launch of the 2023-2024 Annual Training Plan. This forum provided the opportunity to consult on key topics regarding challenges, opportunities, and strategic priorities in particular relating to engagement with schools and recruitment and training demands and challenges.

Further consultation throughout FY2023-24 was achieved in the form of targeted surveys and stakeholder meetings.



D2C FORUM – 6th DECEMBER 2024

This inaugural D2C Forum brought school VET leaders and other school representatives, Department for Education staff, Group Training Organisations, Endorsed Training Providers, Apprenticeship Connect Australia Providers (formerly Australian Apprentice Support Network Providers), and other key stakeholders to gain a deeper understanding of the doorways2construction program, and the unique pivotal roles played by CITB in school programs.

With over 75 representatives in attendance, the forum provided an environment for stakeholders to collaborate, share their ideas and experiences. The event aimed to increase knowledge about CITB, CITF levy, the CITF Act and to ensure consistency in understanding D2C and various support and opportunities available to schools.



INDUSTRY CONSULTATION

REPRESENTATION

In addition to our Sector Committees the CITB is also represented on the:

- Industry Skills Council – Construction and Mining
- Master Builders Association SA Born to Build Steering Committee
- Construction Workforce Plan – Department for Industry Innovation and Science (now known as Department of State Development)
- TAFE SA Plumbing Industry Reference Group Committee
- Aboriginal Building and Civil Construction Academy (ABCCA) Steering Committee

GOVERNMENT CONSULTATION

As per the CITF Act 1993, S11 the CITB has many interactions with the SA government across different departments and areas of focus. Principal engagement channels during the FY2023-24 included:

Regular meetings with:

- Minister for Education, Training and Skills
- Department for Education – Student Pathways and Careers
- Skills SA
- SA Skills Commission
- Safework SA



AUSTRALIAN FORUM OF CONSTRUCTION INDUSTRY TRAINING FUNDS (AFCITF)

CITB maintains its active engagement with the Australian Forum of Construction Industry Training Funds (AFCITF), a platform dedicated to nationwide collaboration on building and construction training matters.

During FY2023-24, CITB's Presiding Member, John Chapman, and CEO, Holly Willcox attended a meeting in November 2023, hosted by Construction Training Fund in Western Australia and an on-line meeting in May 2024. These meetings provide a platform for the sharing of information, data and research on a variety of key issues including:

- Diversity and inclusion
- Outcomes of research projects undertaken by the states
- Organisation operational and financial management
- Stakeholder relationships
- Pathway programs
- Completions

This collaborative forum is highly valued, learning from each other's successes and challenges, and to assist CITB to drive improvements and adapt effective strategies to benefit South Australia's construction industry.

CEO ADVISORY COMMITTEE

In May 2023, CITB established the CEO Advisory Committee to support the implementation of the CITB Diversity and Inclusion Strategy. The committee includes representatives from industry, government and key diversity groups. Some of the key functions of the committee are to share individual expertise, skills and knowledge, advise of the Strategy's approach and develop key initiatives and to establish tangible and achievable goals that will have impact and improve opportunities for the diversity groups.





ANNUAL TRAINING PLAN FY2023-24

The Minister for Education, Training and Skills approved the FY 2023-2024 Annual Training Plan (ATP) on 29 June 2023. The ATP serves as a guiding framework to set out how the Board would support secondary school students, apprentices, construction workers and employers.

The FY2023-24 ATP can be accessed by visiting:

[Training Plans | Help & Resources | Construction Industry Training Board \(citb.org.au\)](#)

FY2023-24 KEY OUTCOMES

1,318 Students supported in D2C Flexible Industry Program

2,221 Secondary School Students participated in Industry Immersion Programs

7,607 Apprentices supported by CITB

1,202 Apprentices received \$500 work equipment voucher

290 School Based Apprentices registered

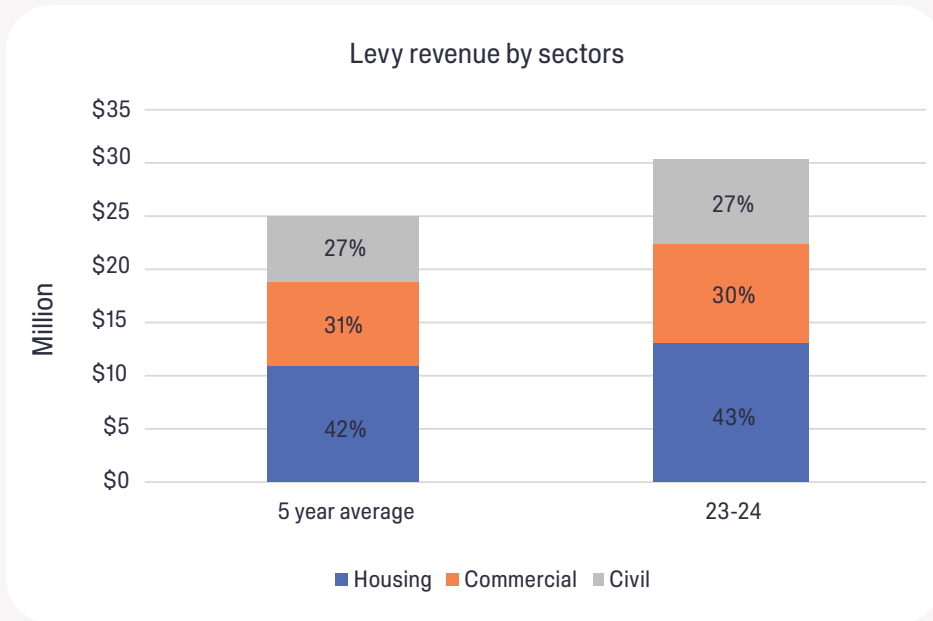
\$6.54M Investment in Short Course Training

16,641 Individuals undertook subsidised short course training

281 Apprentices undertook HRW Training

\$3.45M Additional budget allocation approved by Minister to meet growing demand for training

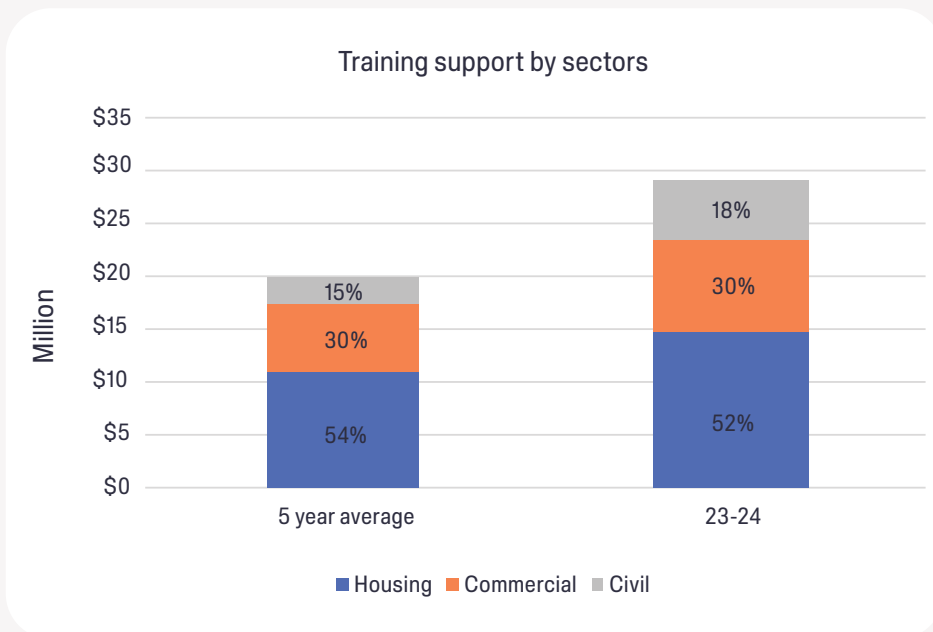
GRAPH 12 - LEVY REVENUE BY SECTORS



ATP ACTUAL OUTCOMES

The charts below illustrate the relative proportions of levies collected and training expenditure across each of the three industry sectors. Under the CITF Act 1993, levies received from each sector are to be redistributed back to the sectors in the same proportions as they are received.

GRAPH 13 - TRAINING SUPPORT BY SECTORS



DOORWAYS2CONSTRUCTION® (D2C)

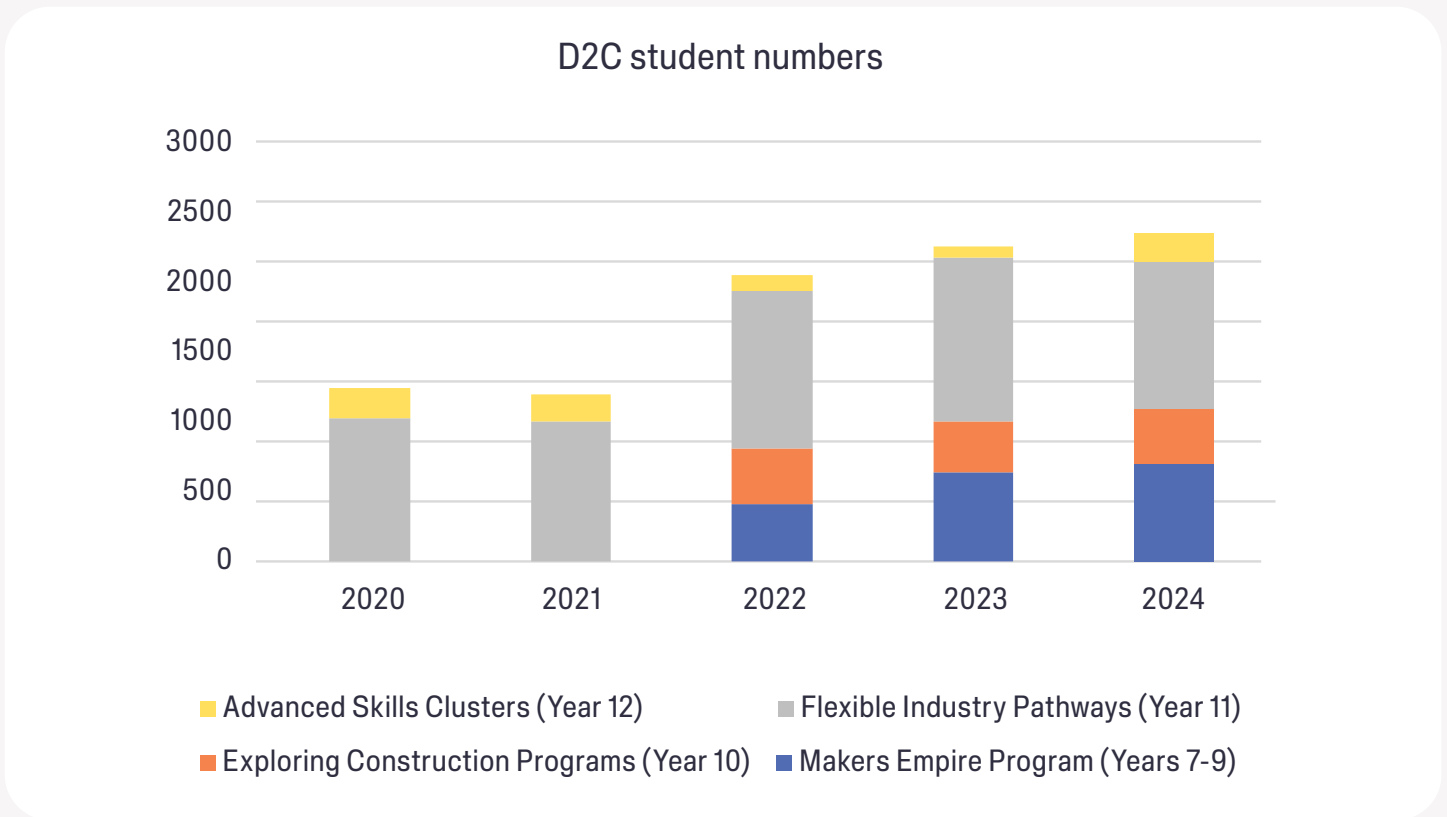
BUDGETED	MID YEAR REVIEW	SPEND
\$1,846,000	\$1,626,882	\$1,167,285

CITB doorways2construction® (D2C) is South Australia's flagship VET in schools' program. The program encompasses support for students in secondary school from Years 7 through to Year 12.

During FY2023-24, 2,645 secondary students participated in a D2C program across all secondary school years.

The ATP budget does not align with the school year, therefore, timing of expenditure is difficult to match with the timing of the programs delivered. Furthermore, the midyear review of the overall budget required a reallocation of funds to Apprenticeship Training Support and Short Course Training due to unexpected demand. Fortunately, this did not impact the delivery of any planned programs.

GRAPH 14 - NUMBER OF SECONDARY SCHOOL STUDENTS IN D2C PROGRAMS OVER THE LAST 5 YEARS.



D2C SUPPORT SNAPSHOT FOR 2024 PROGRAMS

YEAR 7-9 CAREERS UNDER CONSTRUCTION (MAKERS EMPIRE)

SUPPORT PROVIDED

- \$69,985 to schools participating in the Makers Empire program

HIGHLIGHTS

Digital technology program delivered through Australian Curriculum.

- 20 schools including 2 all girl schools and 8 regional schools
- 836 students participated
- Showcase event won by Elliston Area School on the Eyre Peninsula and the runners up were Samaritan College at Whyalla



YEAR 10 EXPLORING CONSTRUCTION

SUPPORT PROVIDED

- Hi Viz shirts for students
- Subsidised \$100 towards White Card for each student
- Construction Professional Development Training for Design and Technology Teachers

HIGHLIGHTS

Practical programs delivered as part of SACE or Australian Curriculum that enables students to explore construction pathways.

- 377 students
- Annual Teacher Professional Development was delivered in December 2023 at TAFE SA and PEER to 36 Design and Technology Teachers
- Australian Curriculum resources designed and distributed to support schools implement or improve their exploring construction programs



D2C SUPPORT SNAPSHOT FOR 2024 PROGRAMS

YEAR 11 D2C FLEXIBLE INDUSTRY PROGRAMS (FIPS)

SUPPORT PROVIDED

- PPE packs for students
- 74 students accessed KESAB Cleansite training subsidy
- 100 students accessed White Card training subsidy
- 297 hours of subsidised driving lessons through the Career Driven program

HIGHLIGHTS

- Supported 1,318 students
- 95 programs
 - Building and construction – 52
 - Electrotechnology – 32
 - Plumbing – 8
 - Resources and Infrastructure (Civil Construction) - 3
- 120 home schools
- 15 regional delivery programs (or 16%)
- 78 students identify as female (or 6%)
- 88 students identify as First Nations (or 7%, an increase of 2% from last year).
- 205 students from 2023 transitioned into an apprenticeship

Celebrated the handover of the SA Housing Trust houses. These were completed by Salisbury High School, Reynella East College and Samaritan College D2C students. The onsite training providers are ATEC and TAFE SA. CITB has partnered with the SA Housing Trust since 2001 to provide this experience to students in both metropolitan and regional locations to renovate a house while completing the Certificate II In Construction Pathways.



D2C SUPPORT SNAPSHOT FOR 2024 PROGRAMS

YEAR 12 D2C ADVANCED SKILLS CLUSTERS

SUPPORT PROVIDED

- PPE packs for students
- Subsidised up to \$2,000 towards the Advanced Skills Programs

HIGHLIGHTS

- Supported 114 students
- 4 training providers (ATEC, NEVC, PEER and TAFE SA)
- 3 regional locations – Murray Bridge, Mannum and Renmark (or 33%)
- 7 students identified as female (or 6%)
- 8 students identified as First Nations (or 7%, a 1% increase from last year).



YEAR 7 - 12 INDUSTRY IMMERSION PROGRAMS 23/24

SUPPORT PROVIDED

CITB provides funding to RTOs for up to 5 days of non-accredited trade training to encourage the delivery of Industry Immersion Programs that provide students with career education and hands-on experience, enabling them to make informed decisions about their future pathways.

HIGHLIGHTS

- 148 programs
- 2,221 students
- 2 all-female program hosted by Thebarton Senior College and Mitcham Girls High School are expected to lead to all-female FIPs in 2025.
- Special thanks to Born to Build and Brickstart SA for supporting these programs with career presentations.



D2C SUPPORT SNAPSHOT FOR 2024 PROGRAMS

OTHER HIGHLIGHTS

ABORIGINAL CAREER EDUCATION (ACE) PROGRAM SUPPORT

CITB support the great work of the Workabout Centre by funding the building and construction training for Industry Immersion Week.

CITB provide Hi Viz shirts and PPE packs for the Aboriginal students that participate in the non-accredited training and have identified building and construction as a career pathway.

Additionally, CITB host a stand at the ACE Career Expo to provide aboriginal students and their teachers with information on how they can start their school pathways into the building and construction industry.

CAREER EXPO

Adelaide Employment and Careers Expo – 10th and 11th May 2024.

Once again CITB hosted a Building and Construction hub and supported industry stakeholders to represent the industry as a whole and provide advice to students on career pathways including landscaping, civil construction, plumbing, carpentry and electrical. Special thanks to Bianco Construction Supplies and DeWalt Tools for adding some enjoyable activities for the attendees.

HIGHLIGHTS FROM THE CAREER EXPO

- 8,163 year 10 students
- CITB ambassador Hugo Kregar interviewed by “Cosi from South Aussie” shared his journey and discussed career opportunities in the construction industry.



D2C SUPPORT SNAPSHOT FOR 2024 PROGRAMS

D2C FORUM – 6th DECEMBER 2023

The D2C Forum brought School VET leaders, Department for Education staff, Group Training Organisations, Endorsed Training Providers and Apprenticeship Connect Australia Providers together to discuss strategies to improve experiences in schools for students and to understand the needs of schools the education sector as a whole.

HIGHLIGHTS FROM THE D2C FORUM

- A recorded message from the Hon. Blair Boyer, Minister for Education and Skills to kick off.
- A panel made up of representatives from the D2C Training Providers including Rick Simunsen from ATEC, Simon Heath from TAFE SA, Andrew Sbroiavacca from PEER, Matt Blackborough from Civil Train and Wayne Saunders from FCTA. The panel spoke about topics including the VET landscape, post school trade training, work experience and more.
- Guest presenters including:
 - Elisha Walsh from Brick and Block Careers.
 - Amanda Hewer from Born to Build.
 - Ross Wait from Adelaide 36ers.
 - Paul Findlay from SafeWork SA.



APPRENTICESHIP TRAINING SUPPORT

BUDGETED	SPEND
\$15,560,000	\$18,559,395
(increased to \$17,601,074 in Feb 24)	
7,086 Apprentices	7,607 Apprentices

HIGHLIGHTS / SNAP SHOTS

- 167% increase in number of Work Equipment Vouchers claimed
- 290 School Based Apprentices registered with CITB
- 7,607 Apprentices supported by CITB in FY2023-24

The CITB provides financial support to eligible construction employers with apprentices undertaking a CITB endorsed qualification to assist with on and off job training costs involved with employing apprentices.

SUMMARY OF CITB SUPPORT FUNDING

- Apprenticeship Training Support (ATS)
- Aboriginal Workforce Development Initiative (AWDI)
- Mature Age Supplement (MAS)
- School Based Apprenticeship Training Support (SBATS)
- Career Driven
- Work Equipment Vouchers
- Apprentice Incentive Payments

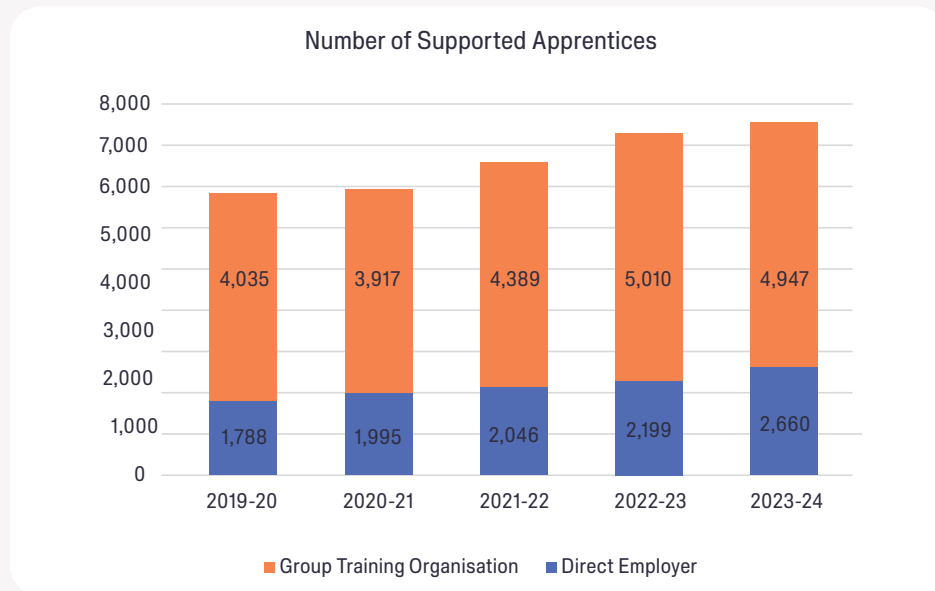


DURING A MID-YEAR BUDGET REVIEW OF THE APPRENTICE TRAINING SUPPORT, AN OVERSPEND OF \$2M (13%) WAS FORECASTED DUE TO

- Apprentices registering with CITB after the budget was approved which exceeded projections. This included almost 1000 apprentices who commenced in previous years and therefore were due payments in the FY2023-24.
- A reduction in termination rates, with an average decline observed across all year levels, in some cases reducing by 10%.

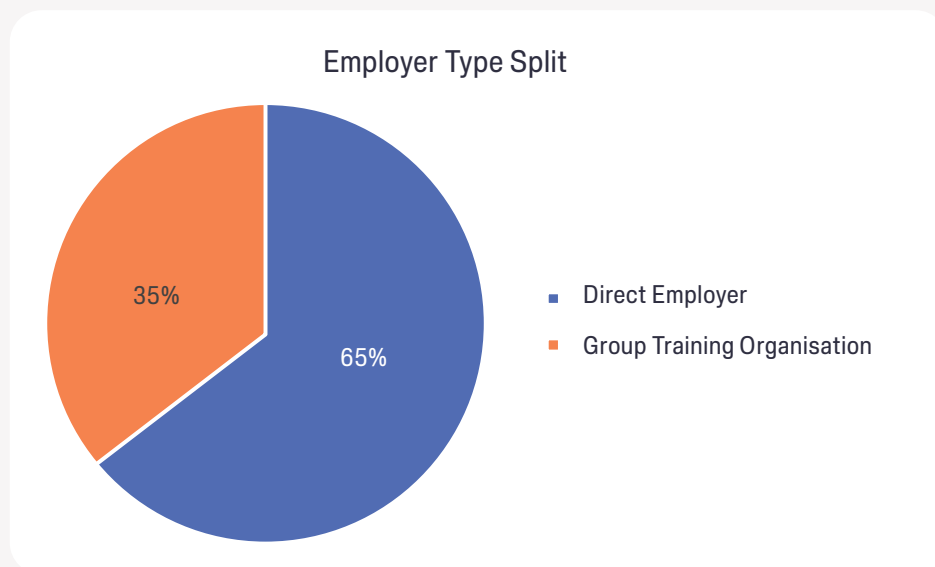
APPRENTICESHIP TRAINING SUPPORT

GRAPH 15 - NUMBER OF SUPPORTED APPRENTICES



Figures for the employer type split of Group Training Organisation versus Direct Employers (Graph 16) remain consistent with the previous years (Graph 15).

GRAPH 16 - EMPLOYER TYPE SPLIT



APPRENTICESHIP TRAINING SUPPORT

CIVIL CONSTRUCTION APPRENTICESHIP (ATS) FUNDING

In FY2023-24, CITB increased the level of funding for Civil Construction Apprentices, to be consistent with other apprenticeship qualifications. This increase did not result in any significant growth in apprenticeship commencements; however, we did see a 26% increase in completions during this period.

MATURE AGE SUPPLEMENT (MAS)

Changes to MAS in FY2023-24 included an increase in the number of places available from 200 to 250 and the payment cycle from 12 and 24 month apprenticeship anniversaries to 6 monthly during the first two years.

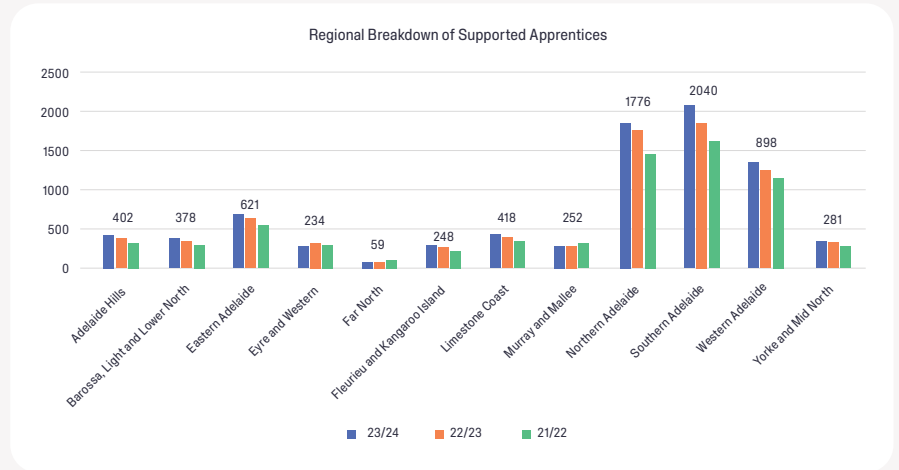
All 250 places for MAS were allocated; however, payments are dependent on timeliness of registrations and claim validation by employers.

SCHOOL BASED APPRENTICE TRAINING SUPPORT (SBATS)

The uptake of registrations for SBATS during FY2023-24 exceeded expectations and required an increase in budget allocation at the mid-year budget review.

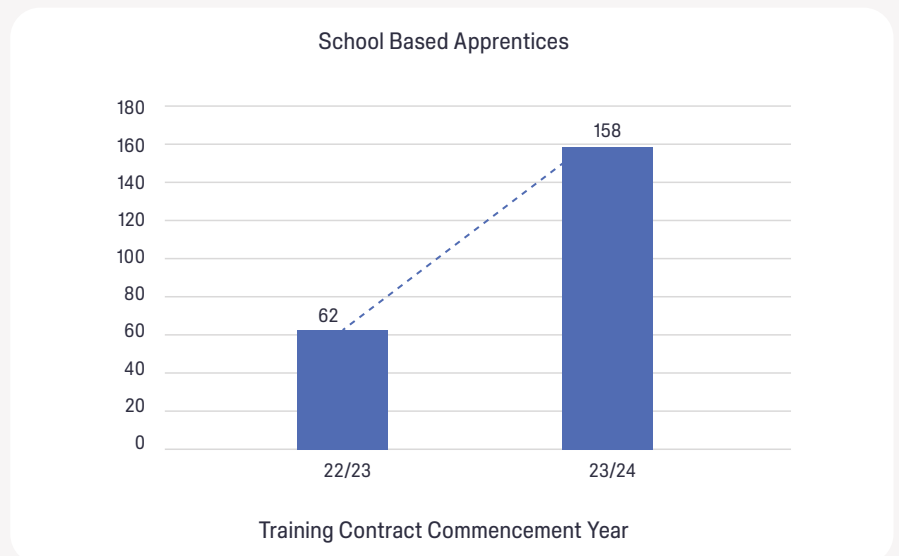
This increase demonstrates that schools and industry are embracing school-based apprenticeships in the building and construction industry which is a shift in perceptions from previous years. Enhanced career education and better preparation for students to transition from school to work is having a positive impact. Additionally, other support like Career Driven is assisting students to obtain their driver's license and therefore removing a barrier to employment.

GRAPH 17 - REGIONAL BREAKDOWN OF SUPPORTED APPRENTICES



APPRENTICESHIP TRAINING SUPPORT FUNDING EXPENDITURE

GRAPH 18 - SCHOOL BASED APPRENTICES REGISTERED WITH CITB



APPRENTICESHIP TRAINING SUPPORT

ABORIGINAL WORKFORCE DEVELOPMENT INITIATIVE (AWDI)

The Aboriginal Workforce Development Initiative (AWDI) supports Aboriginal apprentices and their employers throughout the term of the Training Contract. The support includes financial support for the employer and a specialised mentoring service for both the apprentice and employer.

As at end June 2024, 85 AWDI apprentices were registered, reflecting a decrease in numbers at the same time last year and 7 AWDI apprentices successfully completed their training contracts during the year.

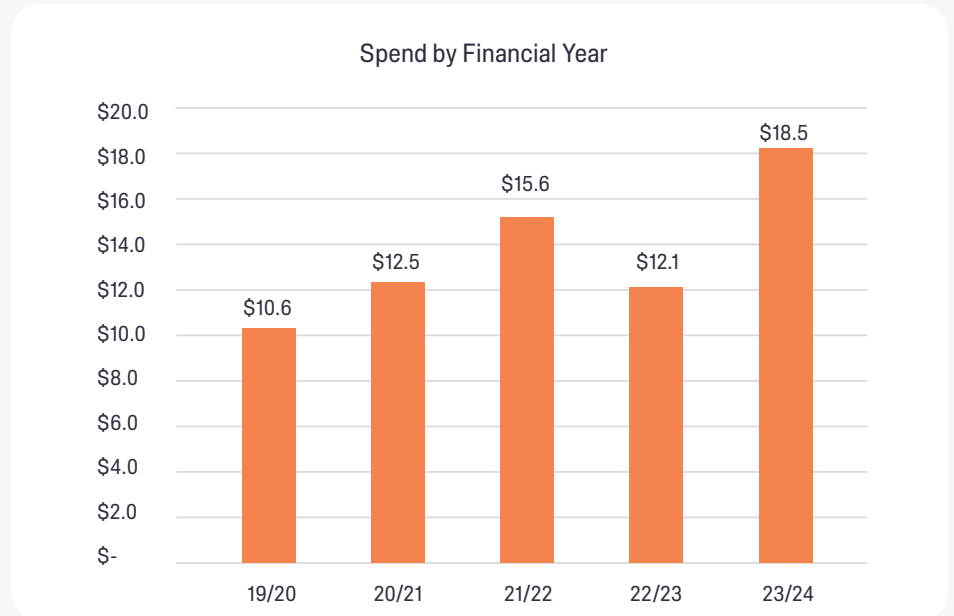
Although numbers may be lower, we received positive feedback from employers in the program acknowledging the support their apprentice received from the mentors. One of the AWDI apprentices won the Most Outstanding 1st year Apprentice Award at the Master Painters Association Awards night.

CAREER DRIVEN

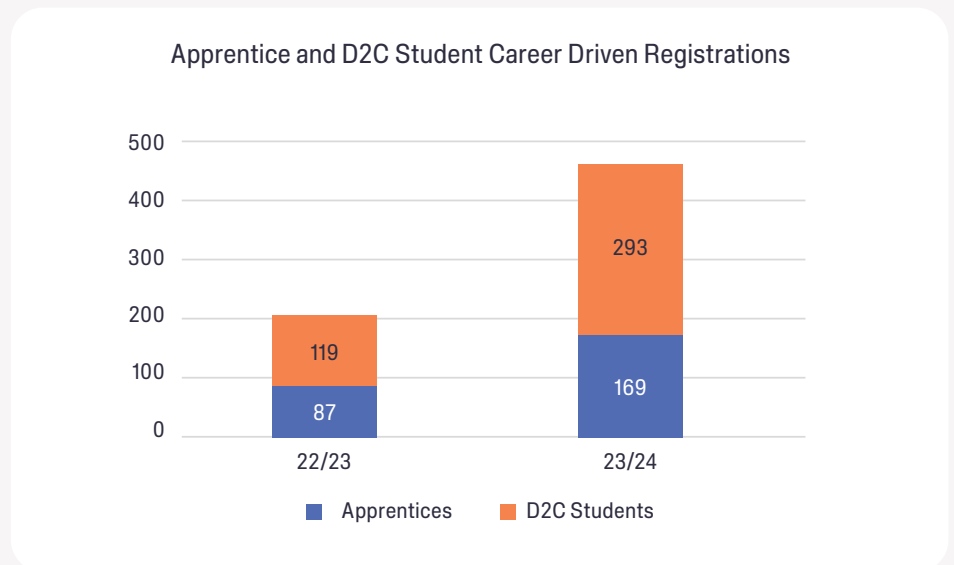
Eligible apprentices received up to 10 hours of lessons and doorways2construction students received 3 hours and an additional 7 hours once an apprenticeship commitment has been confirmed. In FY2023-24 significant growth was seen in the Career Driven program with an overall increase in registrations of 55%.

- 169 first year apprentices registered to access Career Driven funding in FY 2023-24 (increase of 49% from previous year)
- 293 D2C students registered to access Career Driven funding in FY 2023-24 (increase of 59% from previous year).
- 12 driving instructors were registered with CITB during the FY2023-24.

GRAPH 19 - SPEND BY FINANCIAL YEAR



GRAPH 20 - APPRENTICE AND D2C CAREER DRIVEN REGISTRATIONS

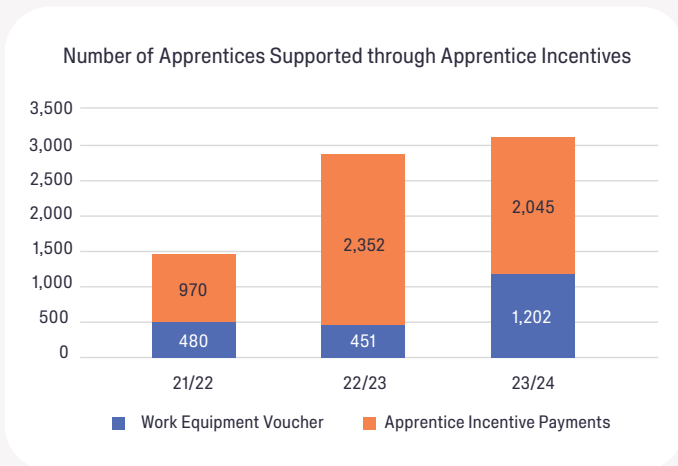


APPRENTICESHIP TRAINING SUPPORT

APPRENTICE INCENTIVES

BUDGETED	SPEND
\$1,950,000	\$2,485,516
Increase to \$2,477,668 in Feb 24	

GRAPH 21 - NUMBER OF APPRENTICES SUPPORTED THROUGH APPRENTICE INCENTIVES



WORK EQUIPMENT VOUCHER

The Work Equipment Voucher incentive continues to assist apprentices with the cost of work equipment required within the first year of the apprenticeship. Apprentices register on the CITB website for the Work Equipment Voucher by selecting their preferred supplier, and the voucher is provided to eligible apprentices on probationary period completion.

During FY2023-24, 1,202 Work Equipment Vouchers were provided to apprentices, an increase of 167% from the previous year. This clearly represents a greater awareness of this program.

APPRENTICE INCENTIVE PAYMENTS

The Apprentice Incentive Payments concluded on 30 June 2023. CITB continued to pay eligible apprentices employed prior to this date during the FY2023-24, reflected in Graph 7 - Number of Apprentices Supported through Apprentice Incentives.



FLASH TROWEL
STEEL
SMALL TOOL
CURVED
STRAIGHT
SCRAPER
BRISTLE LEVEL

10
MATCHED TROWEL
SHIM & SHIM
SHIMMED SQUARE
COMBINATION SQUARE

SHORT COURSE PROGRAM

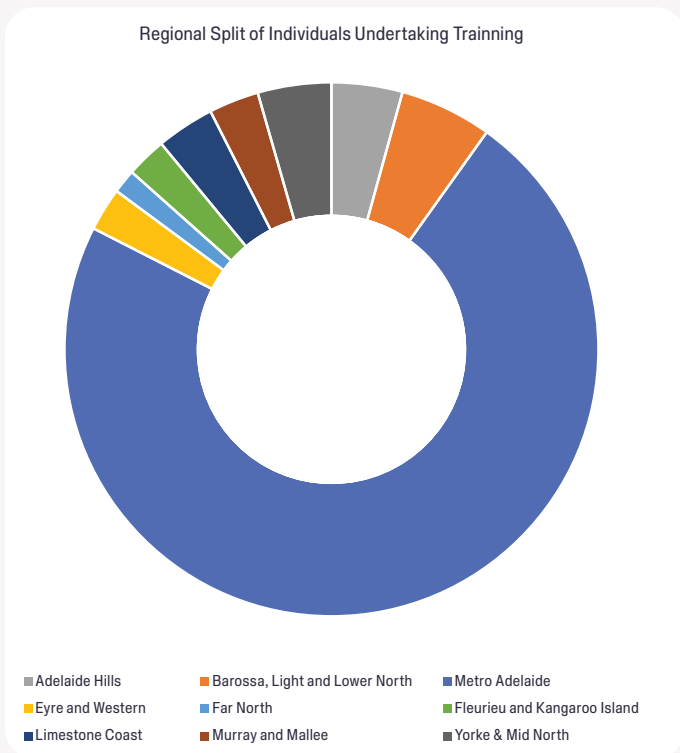
BUDGETED	SPEND
\$5,770,000	\$6,537,273
Increase to \$6,790,000 in Feb 24	

23,715 claims processed*

16,641 individuals undertook training

*Some individuals participated in more than one short course.

GRAPH 22 - REGIONAL SPLIT OF INDIVIDUALS UNDERTAKING TRAINING



SHORT COURSE OVERVIEW

During FY2023-24 the Short Course Training Program witnessed an unexpected surge in training activity, which led to the annual training budget being fully exhausted. This unprecedented demand reflects the significant growth within the industry workforce, highlighting the increasing need for upskilling and specialised training in key areas.

Consultation with endorsed training providers informed us that the following factors attributed to increase in demand:

- Higher level of promotion of CITB creating greater awareness.
- Increase in training activity due to legislative changes and compliance.
- Increase in training activity due to construction worker seeking to obtain higher paying jobs.

To accommodate this heightened demand, a request for an additional \$1.6 million in funding was submitted and approved by the Minister for Education, Training and Skills. The additional funding ensured that CITB continued to meet the evolving needs of the industry, supporting the workforce's development as they prepared for upcoming projects and challenges in the sector.

The short course program is directed towards enhancing workforce training and development through upskilling and cross-skilling of construction workers in:

- Safety
- Regulatory compliance
- Licensing
- Technical
- Business

SHORT COURSE PROGRAM

CITB identified new courses through stakeholder consultation and seeks industry feedback and support from the Sector Committees and Training Policy Committee.

During the FY2023-24, CITB introduced a number of new Short Courses including:

- Flammable Refrigerants
- Design Stand-Alone Power Systems (Solar)
- Install Stand-Alone Power Systems (Solar)
- Trailer Training
- Advanced Managing Union Right of Entry
- Operate Truck or Trailer Mounted Attenuators (TMA)
- Traffic Controller for Urban Streets/Low Volume Rural Roads (TC1)
- Traffic Management Implementer for Urban Streets and Low Volume Rural Roads (TMI1)
- Traffic Controller/Traffic Management Implementer for Urban Streets/Low Volume Rural Road (TC1/TMI1 Combo)
- Traffic Controller on High Volume Roads (TC2)
- Traffic Management Implementer for High Volume Roads (TMI2)
- Traffic Controller/Traffic Management Implementer for High Volume Roads (TC2/TMI2 Combo)

INCREASING THE LEVEL OF FUNDING

In the FY2023-24 CITB increased the level for funding for over 90 Short Courses, up to 100% of subsidy for Mental health and well-being programs. Further increases to the short course program included the re-introduction of White Card training subsidy and removing restrictions for High Risk Work (HRW) Training subsidy for apprentices.

BROADENING AND REFINING THE ELIGIBILITY CRITERIA FOR SHORT COURSE SUBSIDIES (EG SUPPORTING VETERANS TO TRANSITION TO EMPLOYMENT IN THE BUILDING AND CONSTRUCTION INDUSTRY)

This last year the CITB introduced a new category within our Eligibility Policy aimed at supporting Veterans transitioning to employment within the building and construction industry. While the initial uptake has been modest with only seven Veterans registering, we remain committed to promoting this opportunity. Solar and safety training has been the main focus area of training for these individuals. Our ongoing efforts will focus on ensuring that Veterans are aware of this pathway, encouraging them to consider a career in construction as they transition to civilian roles.

INCREASING SHORT COURSE SUBSIDIES, INCLUDING HEALTH AND WELL-BEING PRIORITY SHORT COURSES

CITB demonstrated its strong commitment to mental health by fully funding the Mental Health First Aid – Standard course as well as the suite of training programs facilitated by Mates in Construction. Over this annual training plan year, 19 participants attended Mental Health First Aid, 17 participants attended the ASIST (Applied Suicide Intervention Skills Training) program and 11 attended the Life Skills Tool Box. These numbers reflect the importance of continuing and further promoting mental health awareness and support across various sectors.

REINTRODUCING THE SUBSIDY FOR WHITE CARD TRAINING FOR ELIGIBLE CONSTRUCTION WORKERS

The FY2023-24 saw the reintroduction of the short course training subsidy for White Card Training and White Card refresher courses. The reintroduction was well-received, with 17 Endorsed Training Providers registering to deliver White Card and over 580 participants enrolling in the courses with an expenditure of \$51,930.

REMOVING RESTRICTIONS TO SUBSIDIES FOR HIGH-RISK WORK (HRW) SHORT COURSES FOR APPRENTICES AS DEEMED ESSENTIAL FOR THEIR SAFETY AND PRODUCTIVITY

SHORT COURSE PROGRAM

CITB introduced access to High-Risk Training course subsidies for apprentices, allowing them to gain critical skills needed in the high-risk construction industry.

Alarming statistics from SafeWork SA 2023 Health and Safety Snapshot report highlighted 105 serious “Fall from Height” injuries reported, a 36% increase from the previous year, with 10 of those seriously injured being apprentices. Statistics like this validate CITB’s removal of restrictions for HRW short course subsidy for apprentices.

There were 281 apprentices that participated in the HRW courses for FY2023-24.

OFFERING GROWTH OPPORTUNITIES AND CONTINUED LEADERSHIP THROUGH THE ADDITION OF A MENTORING/SUPERVISION SHORT COURSE FOR EXISTING WORKERS

During FY2023-24, we engaged with the SA Skills Commission to explore opportunities for collaboration on a short course professional development program tailored specifically for both new and experienced tradespeople in the construction industry, reflecting our shared vision for workforce development. While this initiative remains a work in progress, it continues to be a priority that we will pursue in FY2024-25.

RECOGNISING THE INCREASING ROLE THAT MICRO-CREDENTIALS PLAY IN UPSKILLING THE WORKFORCE

The Micro-credential Pilot Program, which began in late 2020, concluded on June 30, 2023, after which no further applications for endorsement were accepted by the South Australian Skills Commission. To assess the Pilot’s impact and gain insights into the broader needs for micro-credential training options, an independent evaluation was conducted, with CITB participating as a key stakeholder. The outcomes of this review have yet to be released.

RESEARCHING HOW VIRTUAL REALITY (VR) AND ARTIFICIAL INTELLIGENCE (AI) CAN IMPROVE LEARNING OUTCOMES FOR PARTICIPANTS AND INCREASE INDUSTRY CONFIDENCE IN THE DELIVERY OF THE SAFETY AND INDUCTION SHORT COURSES SUCH AS THE WHITE CARD.

Our research involved engaging with various stakeholders to explore how this technology can be integrated into training delivery, focusing on its development, implementation, and ongoing costs. For example, the University of South Australia’s Australian Research Centre for Interactive and Virtual Environments demonstrated their OnSite training application, a project they have been developing to enhance learning outcomes and apply to vocational training.

Key areas of consideration included how technologies like OnSite can improve training quality by enhancing apprentices’ learning experiences and knowledge retention, thereby supporting successful training completion. Additionally, training providers will need to adopt these proposed interventions to fully realise their potential impact.

We will continue to consult with key stakeholders to assess the feasibility of bringing this project to fruition. As we move forward, we will carefully consider budget constraints, and the implementation challenges that training providers may face.

SHORT COURSE PROGRAM

GRAPH 23 - HIGHEST EXPENDITURE IN SHORT COURSE



This Graph indicates the highest expenditure in short courses. Darker colour is the subsidy paid for FY2023-24 and lighter colour is the 5-year average of subsidy paid.

SHIFT IN TOP 5 COURSES

CITB has witnessed a shift in more than 5 years of the ranking of the top 5 most popular courses. Provide Cardiopulmonary Resuscitation has risen in popularity, taking the fifth spot, previously held by the Elevated Work Platforms – Duty of Care Boom course. This change reflects evolving industry demands and highlights a growing trend in the safety courses.

SUBSIDY FOR TOP 5 COURSES

COURSE NAME	FY2023-24 SUBSIDY
Perform rescue from a live low voltage panel	\$80
Provide first aid	\$110
Provide cardiopulmonary resuscitation	\$50
Work Safety at heights	\$130
Operator Elevating Work Platform (Scissor Lift)	\$260

SHORT COURSE PROGRAM

GRAPH 24 - TOP 5 COURSES PARTICIPATED COURSES



These are the top 5 courses participated courses, expenditure in the dark column and the 5 years average spend.

TRADIE2TRAINER (T2T)

The tradie2trainer (T2T) program provides existing construction workers with a qualification and career pathway in education and training. The T2T program benefits the industry by retaining vital skills, knowledge and experience while ensuring we can meet the needs of training providers developing the next generation of workers.

THE T2T PROGRAM CONSISTS OF

- TAE40122 Certificate IV in Training and Assessment
- Recognition of prior learning in the relevant vocational area
- Basic training in Word, Excel, PowerPoint and Outlook
- Work experience opportunities with CITB ETPs.
- Facilitate the provision of Working with Children Checks

During FY2023-24 CITB increased the offering of T2T to two intakes throughout the year.

SHORT COURSE PROGRAM

The first intake completed in December 2023 and an overview of the program included:

2023 PROGRAM

- 19,533 received Expression of Interest (EOI) email
- Facebook, Instagram and Linked In posts
- 101 registered for info night (virtual attendance offered)
- 84 attended info night (in person and virtual)
- 32 applications received
- 25 participants
- 19 graduated
- 6 withdrew (4 submitted no docs, 2 submitted min docs and received SOA for unit)

TRADE BREAKDOWN

- 1 Air Conditioning/Refrigeration
- 6 Carpentry
- 4 Tiling
- 2 Landscape Construction
- 2 Civil
- 2 Construction Tickets
- 3 Electrical
- 3 Plumbing and Roofing
- 1 Workzone Traffic Management
- 1 Cert 4 in Building and Construction

OF THE 19 WHO GRADUATED...

- 9 are working as trainers (1 relocated to Sydney)
- 6 are applying for roles as trainers
- 4 have not contacted Auctus with updates since graduating



Graduation for the 2023 T2T held at Auctus on 8th December 2023.

THE SECOND INTAKE COMMENCED IN MARCH 2024 WITH THE FOLLOWING INFORMATION

- 25,527 received EOI email
- Promotion via Facebook, Instagram and Linked In posts
- 77 registered for information night
- 55 attended info night (a number of people did not sign in)
- 56 applications received
- 27 successful participants (5 regional)
- 4 withdrew
- 23 participants currently (4 regional) as at 13/08/2024

TRADE BREAKDOWN

- 2 Airconditioning/Refrigeration
- 2 Cabinet Making
- 3 Carpenters
- 5 Electrical
- 1 Civil Plant Operations
- 1 Scaffolding
- 1 Plasterer
- 5 Plumbing
- 1 Construction Tickets
- 1 Wall and Ceiling Lining
- 1 Workzone Traffic Management

INDUSTRY RESEARCH



Across FY2023-24 CITB engaged extensively in research and consultation activities.

SHORT COURSE PROGRAM REVIEW

Over the last ten years the CITB has engaged McGregor Tan to review the benefits of the short course program for construction workers and employers. The 2023-2024 survey included 400 construction workers and 400 employers who accessed the CITB short course subsidies over that 12 months.

Overall, both employers and construction workers were more satisfied with CITB short courses than in 2018.

91% of employers were happy with the courses while this number was 95% of employees.

Both employers and employees agreed on the benefits the training brought to building and construction organisations including fulfilling government regulation requirements, providing safety practices, improving employees' skills and improving work efficiencies. The benefits of training were recognised across all industry sectors and regional areas.

The survey supported CITB as playing an important role in the provision of training for organisations in the industry with an increased number of workers taking non-accredited courses compared to previous year (30% in 2023 compared to 10% in 2018). These courses included business planning and construction management.

When asked to reflect on future training needs, both employers and employees identified general training, keeping up with regulation and IT training as being the future training needs in the next five years.

ATTRACTION AND RETENTION OF YOUTH TO THE BUILDING AND CONSTRUCTION INDUSTRY

The CITB engaged UniSA to evaluate how the building and construction industry attracts and retains young people in apprenticeships / traineeships. The research sought public perception of working in the building and construction industry, the factors impacting on school student career choices as well as determining the primary reasons for exiting the industry during the first year of an apprenticeship training contract.

The project engaged 1,000 young people between the ages of 18 and 25, their parents and over 300 first year building and construction apprentices.

The study found that both young people and parents have moderate awareness of the various building and construction occupations. Male young people and their parents had the strong interest in pursuing careers within the industry, with female young people and their parents having significantly lower interest.

31% of male young people indicated an interest in pursuing a career in the building and construction industry, compared to only 12% of female young people. Furthermore, young people with high physical strength and stamina, who enjoy being active, have good hand eye collaboration, good mathematical skills and teamwork are more likely to consider careers in the building and construction industry. Together, these findings suggest that work in the building and construction industry is perceived as being physical, collaborative, technical and creative, and the industry at present attracts young people that are good at these skills.

Respondents were asked to rate the importance of different factors when considering future employment opportunities. Young people ranked "work-life balance" and "safe work environment" as their top priorities, and both factors are highly important to parents as well.

INDUSTRY RESEARCH

When asked about their perceptions of the same factors in the building and construction industry, both groups strongly associate the following aspects with careers in the construction industry:

1. A job that will be needed in the future,
2. Ability to use skills,
3. Transferable skills,
4. Strong career path- ways,
5. Salary.

This indicates that occupations in the building and construction industry are perceived as teaching valuable work-related skills that are expected to be in high demand in the future, and likely to support positive long-term career-related outcomes. However, both young people and parents weakly associated “work culture aligns with my personal values”, “safe work environment” and “supportive work culture and good colleagues” with careers in the building and construction industry, suggesting that the work environment in the building and construction- related occupations is perceived as less welcoming and more hostile than other industries.

In terms of apprenticeships, three important factors relate to turnover intention of apprentices in the building and construction industry. The first factor is the opinion of other people when making career choice such as parents, family members, teachers, and peers. If those peers display disapproval about a young persons career choice, the young person may experience some degree of career regret, which is a risk factor for turnover intention.

Secondly, the study found that role overload is an important driving force for employee turnover. It is vitally important that the building and construction industry addresses the excessive workload assumed by young workers. Furthermore, perceived career growth opportunities are also important for apprentices, particularly as they gain more experience during the first year of employment. Finally, young people placed a strong emphasis on work-life balance. When young people perceive that work significantly interferes with their personal lives, they are less likely to be interested in pursuing and engaging in building and construction careers. Young people need to be informed about expectations and the realities of work hours. However, flexibility from organisations about work scheduling and work hours is highly valued by young people and may be a key consideration to attracting and retaining young people in the building and construction industry.

INDUSTRY INSIGHT DASHBOARD

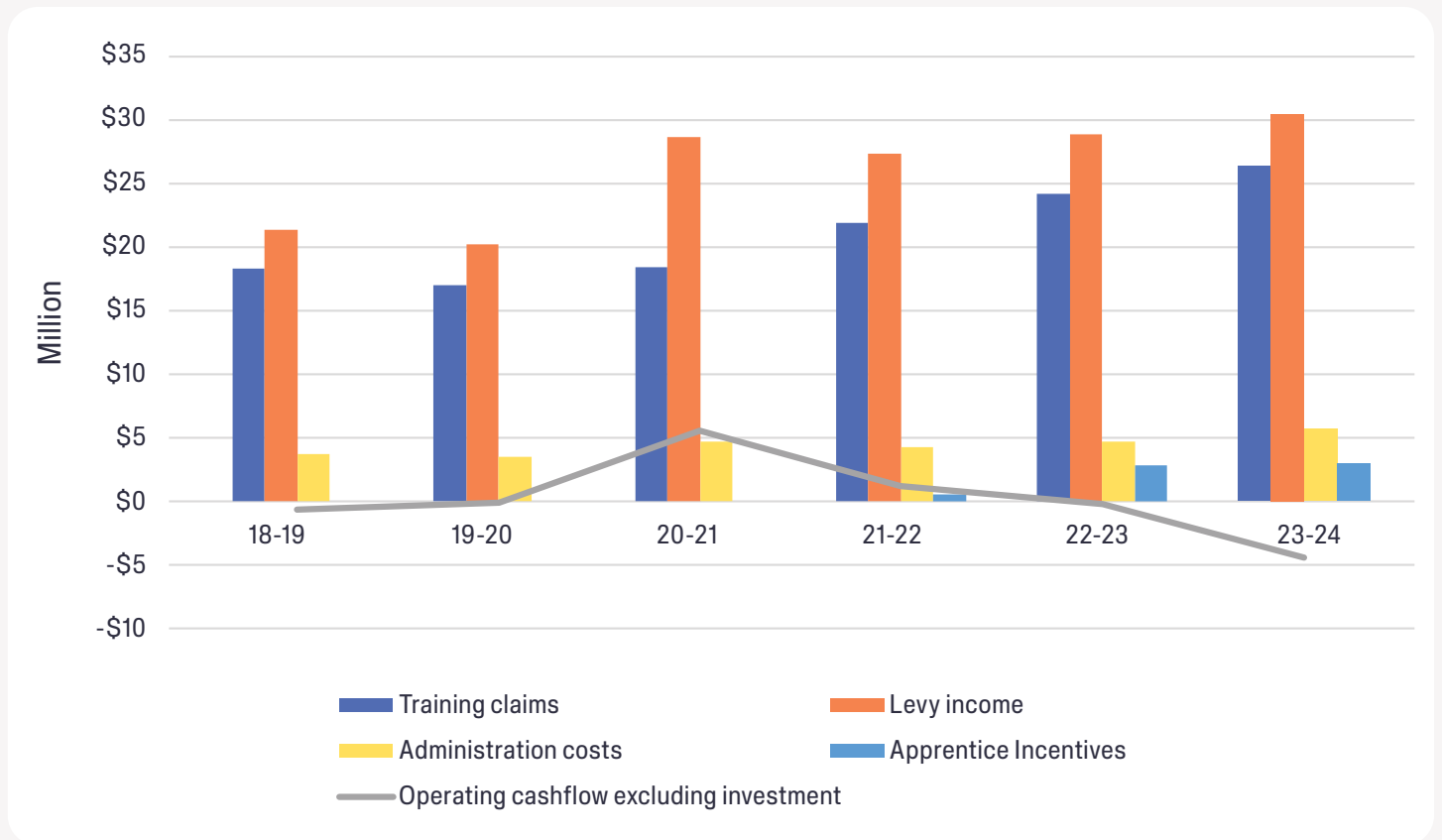
During the 2023-2024 year, the CITB established a data dashboard which provides information about the building and construction activity across South Australia. The platform includes comprehensive and up-to-date industry specific data on major projects, labour demand and labour supply. Stakeholders can explore industry data by Region, Occupation or Major Project. CITB regularly update and add more information to the dashboard to support accurate decision making by various stakeholders in the industry.

FINANCE, ADMINISTRATION AND COMPLIANCE

Operating cashflow for the past 5 years has been close to breakeven with a couple of years of surplus, but in FY2023-24 a greater demand for industry funding compared to the levy income received has resulted in a deficit, as shown in Graph 25.

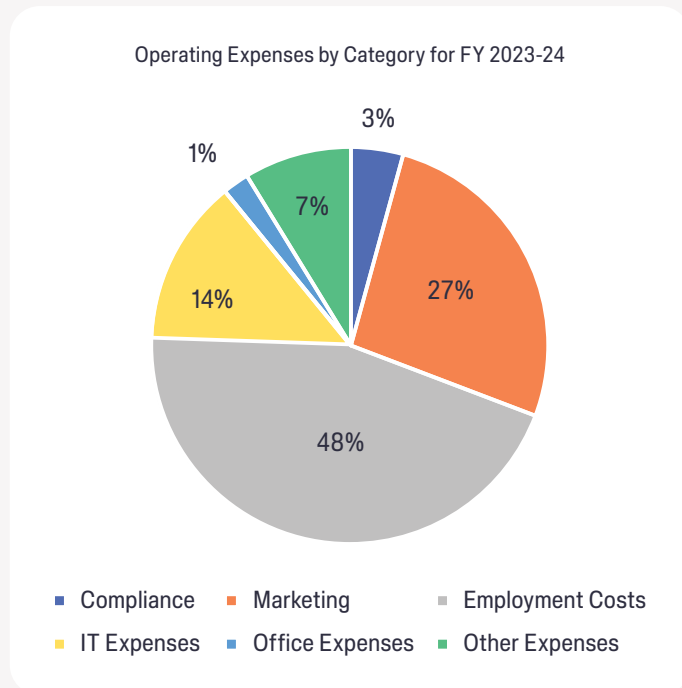
Levy income for FY2023-24 is the highest recorded to date but due to a third of the levy income being received in the last quarter of the financial year, a draw down on investments was required to fund the higher than anticipated training claims throughout the year. Administration costs are comparable to the prior 4 years.

GRAPH 25 - OPERATING CASHFLOW EXCLUDING INVESTMENT INCOME



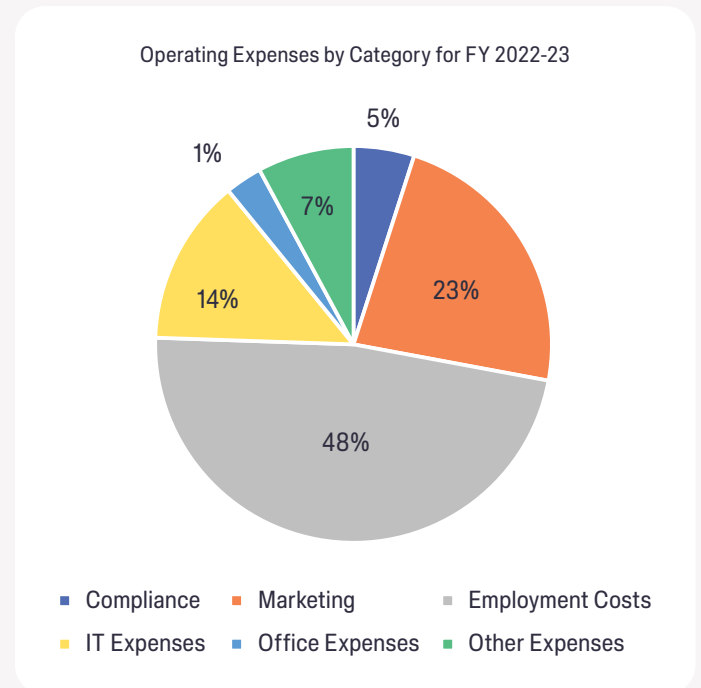
FINANCE, ADMINISTRATION AND COMPLIANCE

GRAPH 26 - OPERATING EXPENSES BY CATEGORY FOR FY2023-24



- Operating expenses for FY2023-24 are slightly higher than the prior year due to the launch of the Trade Up marketing campaign in October 2023 and subsequent advertising on various media platforms. A grant from the SA Government, for \$100,000, to further promote the Trade Up campaign has offset some of the expenses incurred. The campaign aims to positively change sentiment towards a career in building and construction, increase student enrolments or apprenticeships and diversity of people entering the construction industry. Marketing expenses account for 27% of operating expenses, an increase of 4% from the prior year.
- CITB has continued to invest in improving information technology systems.
- Employment and other operating expense categories have remained comparable with the prior year.

GRAPH 27 - OPERATING EXPENSES BY CATEGORY FOR FY2022-23



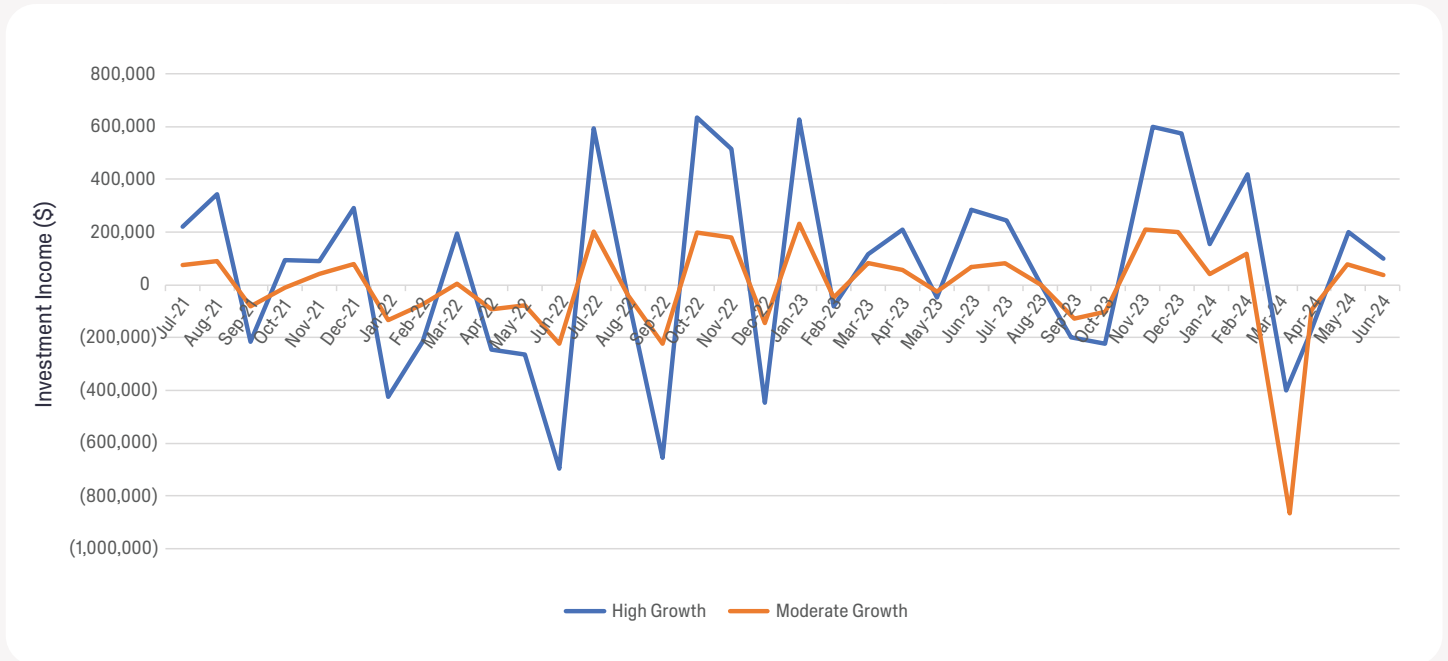
INFORMATION SYSTEMS

Throughout FY2023-24, substantial efforts are underway to enhance CITB's information technology systems.

- An in-depth business process review guided the development of a strategic plan that will enable the delivery of a more agile and efficient system.
- Ongoing cybersecurity enhancements are being implemented to strengthen CITB's security posture and safeguard information assets.

FINANCE, ADMINISTRATION AND COMPLIANCE

GRAPH 28 - MOVEMENT IN INVESTMENT INCOME JULY 2021 - JUNE 2024



INVESTMENT RETURNS

Investments with Funds SA were volatile during FY2023-24; however, all investment options delivered a positive return for the 12 months to 30 June 2024. Investment income in March 2024 was unfavourable due to a \$2M withdrawal of funds to assist with cashflow for the higher than anticipated industry funding. The reduction in the Funds SA investment balance has resulted in an unfavorable return of (0.3%) for the 12 months to 30 June 2024.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Audit Office of South Australia

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**To the Presiding Member
Construction Industry Training Board**

Opinion

I have audited the financial report of the Construction Industry Training Board for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report has been prepared in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures including:

- a) giving a true and fair view of the financial position of the Construction Industry Training Board as at 30 June 2024, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive Officer and the Director Levies and Finance.

INDEPENDENT AUDITOR'S REPORT

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Construction Industry Training Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive Officer and the members of the Construction Industry Training Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Construction Industry Training Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) 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 report of the Construction Industry Training Board for the financial year ended 30 June 2024.

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

INDEPENDENT AUDITOR'S REPORT

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Construction Industry Training Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and the members of the Construction Industry Training Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

27 September 2024

INDEPENDENT DECLARATION

OFFICIAL



Government of South Australia
Audit Office of South Australia

Our ref: A24/293

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200 Victoria Square
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27 September 2024

Mr J Chapman
Presiding Member
Construction Industry Training Board
78 Richmond Road
KESWICK SA 5035
email: presidingmember@citb.org.au
hollyw@citb.org.au

Dear Mr Chapman

Auditor's independence declaration

As you are aware the *Australian Charities and Not-for-profits Commission Act 2012* (section 60-40) requires a registered entity to obtain a written declaration each year from its auditor stating that to the best of the auditor's knowledge and belief:

- there have been no contraventions of any applicable code of professional conduct in relation to the audit; or
- the only contraventions of any applicable code of professional conduct in relation to the audit are those contraventions details of which are set out in the declaration.

The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. The applicable codes of professional conduct are APES 110 'Code of Ethics for Professional Accountants (Including Independence Standards)' and Code of Ethics for the South Australian Public Sector.

A declaration of independence for the audit of the Construction Industry Training Board for the year ended 30 June 2024 is attached.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D O'Donohue'.

Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

INDEPENDENT AUDITOR'S DECLARATION

OFFICIAL



Government of South Australia
Audit Office of South Australia

Our ref: A24/293

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www.audit.sa.gov.au

27 September 2024

Mr J Chapman
Presiding Member
Construction Industry Training Board
78 Richmond Road
KESWICK SA 5035
email: presidingmember@citb.org.au
hollyw@citb.org.au

Dear Mr Chapman

Independence declaration

I am responsible for the audit of the Construction Industry Training Board for the year ended 30 June 2024, and I declare that, to the best of my knowledge and belief, during the year there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D O'Donohue'.

Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

CERTIFICATION OF FINANCIAL STATEMENTS



Construction Industry Training Board
ABN 39 817 133 546
78 Richmond Road
Keswick SA 5035

P: 08 8172 9500
1800 738 839
E: citb@citb.org.au
citb.org.au

Certification of the Financial Statements

We certify that the:

- financial statements of the Construction Industry Training Board:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year
- internal controls employed by the Construction Industry Training Board for the financial year over its financial reporting and its preparation of financial statements have been effective.

HOLLY WILLCOX

Chief Executive Officer

BELINDA SHIPWAY

Director Levies and Finance

JOHN CHAPMAN
Presiding Member

Date *26th September 2024*



FINANCIAL STATEMENTS

Construction Industry Training Board

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$'000	\$'000
Income			
Industry levies	2.1	30,296	29,073
Investment income	2.4	2,254	2,573
Grants from SA Government	2.2	100	200
Other income		7	10
Total Income		32,657	31,856
Expenses			
Employee related expenses	3.3	2,478	1,903
Supplies and services	4.1	3,007	2,880
Depreciation and amortisation	4.2	272	163
Training claims and apprentice incentives	4.3	29,042	24,971
Net loss from the disposal of property, plant, and equipment	2.3	68	1
Interest paid		4	5
Total Expenses		34,871	29,923
Net Result		(2,214)	1,933
Total Comprehensive Result		(2,214)	1,933

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Construction Industry Training Board

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024	2023
		\$'000	\$'000
Current Assets			
Cash and cash equivalents	6.1	2,886	3,451
Receivables	6.2	1,902	2,504
Other financial assets	6.3	3,766	5,096
Total Current Assets		8,554	11,051
Non-Current Assets			
Other financial assets	6.3	23,817	23,895
Property, plant and equipment	5.1	529	693
Intangible assets	5.4	2,779	954
Total Non-Current Assets		27,125	25,542
Total Assets		35,679	36,593
Current Liabilities			
Payables	7.1	1,890	2,825
Financial liabilities	7.3	94	93
Provisions	7.2	2,214	-
Employee related liabilities	3.4	260	188
Total Current Liabilities		4,458	3,106
Non-Current Liabilities			
Financial liabilities	7.3	160	257
Employee related liabilities	3.4	121	76
Total Non-Current Liabilities		281	333
Total Liabilities		4,739	3,439
Net Assets			
Reserves	8.1	11,665	11,665
Retained earnings	8.1	19,275	21,489
Total Equity		30,940	33,154

The accompanying notes form part of these financial statements.

Unrecognised commitments	10.1
Contingent assets and liabilities	10.2

FINANCIAL STATEMENTS

Construction Industry Training Board

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Note	Operational Risk Reserve (Prudential Reserve)	Strategic Reserve	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2022		10,665	1,000	19,556	31,221
Total Comprehensive Result 2022-2023		-	-	1,933	1,933
Balance as at 30 June 2023		10,665	1,000	21,489	33,154
Total Comprehensive Result 2023-2024		-	-	(2,214)	(2,214)
Balance as at 30 June 2024	8.1	10,665	1,000	19,275	30,940

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Construction Industry Training Board
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		\$'000	\$'000
Cash flows from operating activities			
<u>Cash Inflows</u>			
Receipts from industry training levies		31,215	27,635
Interest received		344	217
GST recovered from the ATO		658	393
Grants from SA Government		100	200
Other receipts		75	165
Cash generated from operations		32,392	28,610
<u>Cash Outflows</u>			
Employee benefits paid		(2,323)	(1,834)
Training claims paid		(27,319)	(21,515)
Interest paid		(4)	-
Other payments		(4,720)	(5,120)
Cash used in operations		(34,366)	(28,469)
Net cash provided by / (used in) operating activities		(1,974)	141
Cash flows from investing activities			
<u>Cash Inflows</u>			
Maturing term deposits		13,569	14,406
Proceeds from sale of investments		2,000	-
Cash generated from investing activities		15,569	14,406
<u>Cash Outflows</u>			
Purchase of investments		(12,239)	(14,489)
Purchase of property, plant and equipment and intangible assets		(1,825)	(882)
Cash used in investing activities		(14,064)	(15,371)
Net cash provided by / (used in) investing activities		1,505	(965)
Cash flows from financing activities			
<u>Cash Outflows</u>			
Repayment of principal portion of lease liabilities		(96)	(92)
Cash used in financing activities		(96)	(92)
Net cash used in financing activities		(96)	(92)
Net increase/(decrease) in cash and cash equivalents		(565)	(916)
Cash and cash equivalents at the beginning of the period		3,451	4,367
Cash and cash equivalents at the end of the period	6.1	2,886	3,451

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

Construction Industry Training Board

1. About the Construction Industry Training Board

The Construction Industry Training Board (Board) is established under the *Construction Industry Training Fund Act 1993* (CITF Act).

The Board does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Board.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- the *Australian Charities and Not-for-profits Commission Act 2012*;
- the *CITF Act 1993*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Board is exempt from Income Tax under subdivision 50-B of the *Income Tax Assessment Act 1997*.

The Board is exempt from Payroll Tax in South Australia.

The Board is liable for Goods and Services Tax (GST) and Fringe Benefits Tax (FBT), however, as a registered charity, is endorsed to access:

- GST concessions under Division 176 of *A New Tax System (Goods and Services Tax) Act 1999*
- FBT rebate (49%) under section 123E of the *Fringe Benefits Tax Assessment Act 1986*.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

FINANCIAL STATEMENTS

Construction Industry Training Board

1.2. Objectives and programs

The objective of the Board is to manage and administer the Construction Industry Training Fund (the Fund). The Board's responsibilities include:

- to act as a principal adviser to the Minister for Education, Training and Skills for the State and the Minister for Skills and Training for the Commonwealth on training related matters for the Building and Construction Industry in South Australia;
- preparation of training plans;
- promote increased productivity, career opportunities, personal satisfaction and occupational health and safety;
- to initiate, carry out, support or promote research into training and personal needs;
- to liaise with educational, professional and training bodies in relation to training and personnel development; and
- co-ordination of training, review and evaluation of employment related training programs.

The Fund collects revenue by way of a levy of 0.25 percent of the value of building and construction work over \$40,000. This revenue is invested back into the industry in the form of expenditure on training and apprentice support to training provided by government and non-government organisations.

2. Income

2.1. Industry levies

	2024	2023
	\$'000	\$'000
Housing sector	13,155	12,358
Commercial sector	8,953	8,588
Civil sector	8,188	8,127
Total industry levies	30,296	29,073

Industry levies are recognised as income when the Board obtains control of the levies. Control is normally obtained when a levy application is lodged.

2.2. Grants from SA Government

	2024	2023
	\$'000	\$'000
Trade-up Campaign	100	200
Total grants from SA Government	100	200

The Board received a grant of \$100,000 (ex GST) (2023: \$200,000) from the SA Government to support and further promote the Trade Up campaign. The campaign aims to positively change sentiment towards a career in building and construction, increase student enrolments or apprenticeships and diversity of people entering the construction sector.

Revenue is recognised when invoices are raised to SA Government according to the payment schedule in the respective agreement.

FINANCIAL STATEMENTS

Construction Industry Training Board

2.3. Net gain from the disposal of property, plant and equipment

	2024	2023
	\$'000	\$'000
<u>Furniture & Fittings:</u>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	(1)	(1)
Net gain/(loss) from disposal of Furniture & Fittings	(1)	(1)
<u>Computer Equipment</u>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	(1)	-
Net gain/(loss) from disposal of Computer Equipment	(1)	-
<u>Computer Software</u>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	(66)	-
Net gain/(loss) from disposal of Computer Software	(66)	-
Total net gain/(loss) from disposal of assets	(68)	(1)

2.4. Investment income

	2024	2023
	\$'000	\$'000
Net unrealised gain/(loss) on unitised fund investment value recognised at fair value through profit and loss	1,697	2,242
Net realised gain/(loss) on unitised fund investment value recognised at fair value through profit and loss	225	-
Interest income	268	248
Dividend imputation credits	64	83
Total investment income	2,254	2,573

FINANCIAL STATEMENTS

Construction Industry Training Board

3. Board, committee and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister, Board Members, the Chief Executive Officer and the two members of the Executive Team who have responsibility for the strategic direction and management of the Board. Total compensation for key management personnel was \$710,573 in 2023-24 and \$683,939 in 2022-23.

Salaries and other benefits the Minister for Education, Training and Skills receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

The Board is an independent statutory authority established pursuant to the *Construction Industry Training Fund Act 1993* and is explicitly not an agency or instrumentality of the Crown. Related parties of the Board include all key management personnel and their close family members and any entities controlled or jointly controlled by them.

During the year training funds and supplies and services of \$2,410,993 (\$1,117,080) were allocated to associated entities of the members of the Construction Industry Training Board.

3.2. Board and committee members

Members during the 2024 financial year were:

John Chapman (Independent Presiding Member)
 Andrew Clarke
 Stephen Knight
 Maree Wauchope
 Mardi Conduit
 Rebecca Pickering
 William Frogley
 John Adley
 Gary Henderson
 Cassie Manser

Board and committee remuneration

	2024	2023
	Number of Members	Number of Members
\$0-\$19,999	9	19
\$20,000-\$39,999	1	0
Total	10	19

Total remuneration received or receivable by members was \$144,333 (\$136,419). This included remuneration of deputies of \$0 (\$0).

Remuneration of members and their deputies includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

FINANCIAL STATEMENTS

Construction Industry Training Board

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	1,942	1,457
Board fees	130	130
Annual leave	132	100
Employment on-costs – superannuation	238	174
Long service leave	7	18
Employment on-costs – other	29	24
Total employee related expenses	2,478	1,903

Employment on-costs - superannuation

The superannuation employment on-costs charge represents the Board's contributions to superannuation plans in respect of current services of current employees.

<i>Executive remuneration</i>	2024	2023
	Number of Employees	Number of Employees
The number of employees whose remuneration received or receivable falls within the following bands:		
\$224 000 to \$244 000	-	1
\$244 001 to \$264 000	1	-
Total	1	1

The total remuneration received by those employees for the year was \$256,212 (\$233,291).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Board.

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current:		
Annual leave	132	100
Accrued salaries and wages	64	50
Employment on cost	64	38
Total current employee related liabilities	260	188
Non-current:		
Long service leave	121	76
Total non-current employee related liabilities	121	76
Total employee related liabilities	381	264

FINANCIAL STATEMENTS

Construction Industry Training Board

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave and personal leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees is estimated to be less than the annual entitlement for personal leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 11.1.

Employment on-costs

Employment on-costs include superannuation contributions and ReturnToWorkSA levies and are settled when the respective employee benefits that they relate to is discharged.

The Board contributes to the employees' nominated prescribed superannuation fund. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability at reporting date relates to any contributions due but not yet paid into the superannuation funds.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2023 rate (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2023 rate (11.1%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The impact on future periods is impracticable to estimate.

FINANCIAL STATEMENTS

Construction Industry Training Board

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Information technology and communications	749	668
Accommodation	39	50
Professional services	134	293
Consultants	143	123
General administration and consumables	33	62
Marketing	1,516	1,074
Merchant fees	73	82
Other	55	284
Research	121	141
Insurance	24	21
Legal costs	120	82
Total supplies and services	3,007	2,880

Other Expenses – audit fees

Other expenses include audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$47,500 (\$67,650). No other services were provided by the Audit Office of South Australia.

4.2. Depreciation and amortisation

	2024	2023
	\$'000	\$'000
Computer software	51	38
Accommodation and leasehold improvements	44	30
Right-of-use buildings and improvements	126	61
Computer equipment	31	18
Office machines	3	4
Furniture and fittings	17	12
Total depreciation and amortisation	272	163

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

FINANCIAL STATEMENTS

Construction Industry Training Board

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

• Motor vehicles	15 percent
• Computer Software	25 percent
• Computer equipment	25 percent
• Office machines	20 percent
• Accommodation and leasehold Improvements	35 percent
• Right-of-use buildings and improvements	Lease term
• Furniture and fittings	20 percent

During the year, the Board did not make any adjustments to the estimated useful life of any asset categories.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

4.3. Training claims and apprentice incentives

	2024	2023
	\$'000	\$'000
Housing sector training claims	13,207	10,856
Commercial sector training claims	7,708	6,258
Civil sector training claims	4,482	3,589
Apprentice Incentives	2,486	2,830
Other	1,159	1,438
Total training claims and apprentice incentives	29,042	24,971

Funding is provided to government and non-government training providers upon receiving training claims. Training claims are recognised as an expense when the training has been provided by the training provider. This is determined from actual claims received.

FINANCIAL STATEMENTS

Construction Industry Training Board

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2024	2023
	\$'000	\$'000
Computer equipment at cost (deemed fair value)	156	114
Less: accumulated depreciation	(71)	(44)
	85	70
Office machines at cost (deemed fair value)	30	30
Less: accumulated depreciation	(27)	(24)
	3	6
Furniture and fittings at cost (deemed fair value)	97	87
Less: accumulated depreciation	(50)	(35)
	47	52
Accommodation and leasehold improvements at cost (deemed fair value)	310	305
Less: accumulated depreciation	(138)	(94)
	172	211
Right-of-use building and leasehold improvement at cost	622	628
Less: accumulated amortisation	(400)	(274)
	222	354
Total property, plant and equipment	529	693

5.2. Property, plant and equipment owned by the Board

Property, plant and equipment owned by the Board with a value equal to or in excess of \$1,000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Detail about the Board's approach to fair value is set out in note 11.2.

Impairment

Property, plant and equipment owned by the Board has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Reconciliation 2023-24

	Furniture & fittings	Office machines	Computer equipment	Accommodation leasehold improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2023	52	6	70	211	339
Acquisitions	11	-	48	5	64
Disposals	-	-	(2)	-	(2)
Depreciation and amortisation	(16)	(3)	(31)	(44)	(94)
Carrying amount as at 30 June 2024	47	3	85	172	307

FINANCIAL STATEMENTS

Construction Industry Training Board

5.3. Property, plant and equipment leased by the Board

Right-of-use assets for property, plant and equipment leased by the Board as lessee are measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$1,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Board has a lease for office accommodation lease which commenced 1 November 2019. The term of the lease is 7 years 2 months, with the option to extend for 10 years. The option to extend has not been included in the term because management has determined that it is uncertain whether the Board will exercise the right of renewal. Rent is payable monthly in advance.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The Board's maturity analysis of its lease liabilities is disclosed in note 11.4. Right-of-use depreciation expense is disclosed in note 4.2, and interest expense relating to leases is disclosed on the Statement of Comprehensive Income.

Impairment

Property, plant and equipment leased by the Board has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2024	2023
	\$'000	\$'000
Computer software	1,578	1,589
Accumulated amortisation	(1,462)	(1,495)
Total computer software	116	94
Computer software WIP	2,663	859
Total intangible assets	2,779	953

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$1,000.

Reconciliation 2023-24

	Computer Software	Work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2023	94	859	953
Acquisitions	139	1,804	1,943
Less : Disposals	(66)	-	(66)
Amortisation	(51)	-	(51)
Carrying amount as at 30 June 2024	116	2,663	2,779

FINANCIAL STATEMENTS

Construction Industry Training Board

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank	2,886	3,451
Total cash and cash equivalents	2,886	3,451

6.2. Receivables

	2024	2023
	\$'000	\$'000
<u>Contractual receivables</u>		
Prepayments	190	73
Accrued interest	26	37
Sundry Debtors	5	72
Total contractual receivables	221	182
<u>Statutory receivables</u>		
Trade receivables	752	1,359
Less allowance for doubtful debts	(156)	(71)
Accrued levy revenue	975	903
GST receivable	46	48
Accrued income	64	83
Total statutory receivables	1,681	2,322
Total current receivables	1,902	2,504

Contractual receivables arise in the normal course of levies raised and in selling goods and services to the public and government agencies. Contractual receivables are normally settled within 14-30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as Statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

FINANCIAL STATEMENTS

Construction Industry Training Board

6.3. Other financial assets

	2024	2023
	\$'000	\$'000
Current		
National Australia Bank term deposits	52	1,525
Westpac term deposits	2,277	2,190
Bendigo Adelaide Bank term deposits	1,437	1,381
Total current Other Financial Assets	3,766	5,096
Non-current		
Investments with Funds SA – unitised funds with Funds SA	23,817	23,895
Total non-current Other Financial Assets	23,817	23,895
Total Other Financial Assets	27,583	28,991

Current investments include term deposits held to maturity for periods of less than six months. There is no impairment loss on term deposits due to the rating of the counterparties.

During 2020-21, CITB was declared a prescribed authority and received approval from the Treasurer to invest surplus funds with Funds SA. During the current year, the investments were measured at fair value through profit or loss. These investments are not subject to impairment testing.

For further information on risk management refer to note 11.4.

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2024	2023
	\$'000	\$'000
Current payables		
Accrued training expenses	601	1,095
Accrued expenses	328	1,005
Trade payables	604	647
Statutory payables		
Levy refund payable	311	32
Other statutory payables	46	46
Total statutory payables	357	78
Total current payables	1,890	2,825

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

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Construction Industry Training Board

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

7.2. Provisions

	2024	2023
	\$'000	\$'000
Current		
Provision for Training Claims	2,214	-
Total provisions	2,214	-

A provision has been reported to reflect unpaid training claims. The training claims provision is based on training claims that are either on hold or pending status as at 30 June 2024. CITB is responsible for the payment of the training claims when the claim submitted by the training provider meets the eligibility criteria. This provision has been calculated and recognised for the first time in 2024. No comparative balance for 2023 has been recognised, as it is not practical to retrospectively calculate balances as at 30 June 2023.

7.3. Financial liabilities

	Note	2024	2023
		\$'000	\$'000
Current			
Lease liabilities	5.3	94	93
Total current financial liabilities		94	93
Non-current			
Lease liabilities	5.3	160	257
Total non-current financial liabilities		160	257
Total financial liabilities		254	350

The Board measures financial liabilities at amortised cost.

Note 11.3 describes possible cash outflows for leases the Board is exposed to that are not included in lease liabilities.

8. Other disclosures

8.1. Equity

The Board has provided for two reserves:

1. Operational Risk Reserve - a reserve to meet operational risks involved during the course of business calculated using a number of assumptions addressing variability in revenue, expenditure and other events.
2. Strategic Reserve - a reserve to address any strategic needs that may arise which the Board considers warrant an allocation of funds calculated at a nominal value.

FINANCIAL STATEMENTS

Construction Industry Training Board

8.2. Prior period adjustments

Some comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

9. Changes in accounting policy

For 2023-24 provisions have been reported to reflect unpaid training claims, based on training claims that are either on hold or pending status as at 30 June 2024. See Note 7.2 for further details.

There were no other changes to accounting policies in 2023-24.

10. Outlook

10.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Unrecognised commitments as at 30 June 2024 were \$254,889 (2023: \$667,000) relating to IT Transformation Projects and \$0 (2023: \$110,656) relating to Doorways2Construction™ agreements

10.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Board is not aware of any contingent assets or liabilities.

10.3. Events after the reporting period

There have been no events after the reporting period which would have a material effect on the Board's financial statements at 30 June 2024.

11. Measurement and risk

11.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2023 (4%) to 2024 (4.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

FINANCIAL STATEMENTS

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The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$44,628 and employee benefits expense of \$44,628. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate from 3.5% in 2023 to 2.4% in 2024 for long service leave liability. There is no material financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on previous experience, expected terminations and known applications for leave.

11.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Revaluation

Property, plant and equipment, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are measured at historical cost less accumulated depreciation. The Board capitalises all non-current assets with a value of one thousand dollars (\$1,000) or more.

Funds SA investments are re-measured to fair value at each reporting period.

Other financial assets – Funds SA investments

The fair value of the Funds SA investments is based on the statements produced by Funds SA which reflect the fair value of the unit prices.

Property, plant and equipment

All items of property, plant and equipment owned by the Board that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that was less than three years have not been revalued. The carrying value of these items are deemed to approximate fair value.

11.3. Possible lease cash outflows not reflected in lease liabilities

The Board has entered into a lease for its accommodation needs with an external lessor with an expiry of Jan 2027. The lease liability does not reflect the extension options of an additional 10 years (two options of 5 years) as the Board does not consider it reasonably certain that it would be taken up. Estimated costs are unable to be determined as these will be negotiated as part of any extension at that time.

FINANCIAL STATEMENTS

Construction Industry Training Board

11.4. Financial instruments

Financial risk management

Risk management is managed by the Board and Board risk management policies are in accordance with the Board's Risk Management Policy Statement.

The Board is exposed to a variety of financial risks, credit risk and liquidity risk. The Board has non-interest bearing assets (receivables) and liabilities (payables) and interest bearing assets (cash and cash equivalents and other financial assets). In addition, the Board has funds invested with Funds SA in two accounts, "High Growth" and "Moderate". A Performance Plan has been created for these investments which is updated on a yearly basis and includes detail on financial risks.

The Board has no significant concentration of credit risk. Investments are in the form of term deposits with approved banking institutions and investments with Funds SA. In relation to liquidity/funding risk, the continued existence of the Board in its present form, is dependent on Government policy.

Refer to notes 6 and 7 for further information.

There are no fair value differences as carrying values approximate fair values and there is minimal exposure to interest rate or market risk due to the nature of the financial assets and liabilities held.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted include the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

With the exception of the Funds SA investments, the Board measures all financial instruments at amortised cost. The Board has measured the Funds SA investments as fair value through profit or loss as they represent investments that the Board intends to hold for the long-term for strategic purposes.

FINANCIAL STATEMENTS

Construction Industry Training Board

Category of financial asset and financial liability	Note	2024	2024 Contractual maturities		
		Carrying Amount / Fair Value	Within 1 year	1-5 years	More than 5 years
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial assets					
Cash and cash equivalent	6.1	2,886	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables (1)	6.2	31	n/a	n/a	n/a
Other financial assets	6.3	3,766	n/a	n/a	n/a
Financial assets classified as fair value	6.3	23,817	n/a	n/a	n/a
Total financial assets		30,500			
Financial liabilities					
Financial liabilities at amortised cost					
Payables (1)	7.1	1,533	1,533	-	-
Provisions	7.2	2,214	2,214		
Lease liabilities	7.3	254	94	160	-
Total financial liabilities		4,001	3,841	160	-

Category of financial asset and financial liability	Note	2023	2023 Contractual maturities		
		Carrying Amount / Fair Value	Within 1 year	1-5 years	More than 5 years
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial assets					
Cash and cash equivalent	6.1	3,451	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables (1)	6.2	192	n/a	n/a	n/a
Other financial assets	6.3	5,096	n/a	n/a	n/a
Financial assets classified as fair value	6.3	23,896	n/a	n/a	n/a
Total financial assets		32,635			
Financial liabilities					
Financial liabilities at amortised cost					
Payables (1)	7.1	2,747	2,747	-	-
Lease liabilities	7.2	350	93	257	-
Total financial liabilities		3,097	2,840	257	-

(1) Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

CITB SPONSORED AWARD RECIPIENTS FY2023-24

ST PATRICKS TECHNICAL COLLEGE – CITB EXCELLENCE IN TRAINING AWARD

Kane Materne - MTE SA | Saxony Building Pty Ltd
Certificate III in Carpentry (school based)

ATEC VET STUDENT OF THE YEAR

Liam Gibbs
Certificate II In Construction Pathways



Liam Gibbs & Holly Willcox

CCF HARRY WAUER MEMORIAL AWARD

Liam Cranage - SADB
Certificate III In Civil Construction



Toni Hartley & Liam Cranage

RIVERLAND MURRAY MALLEE VOCATIONAL AWARDS – BUILDING & CONSTRUCTION INDUSTRY AWARD

Aaron Smith - Smith's Carpentry and General Building
Certificate III In Carpentry



Aaron Smith & Holly Willcox

GROUP TRAINING EMPLOYMENT (GTE) MT GAMIBER – GTE BUILDING TRADES APPRENTICE OF THE YEAR AWARD

Joshua Weedon - Trent Milich Plumbing
Certificate III in Plumbing



Sam Batty, Trent Milich, Josh Weedon, Samantha Bennett

MAXIMA – CONSTRUCTION INDUSTRY APPRENTICE OF THE YEAR

Hugo Kregar - Michael Kregar Building
Certificate III In Carpentry



Toni Hartley, Hugo Kregar and Brydie Jackson

TAPS – CITB EXCELLENCE IN TRAINING AWARD

Ryan Lewis - Hindmarsh Plumbing
Certificate III In Plumbing



Ryan Lewis

PEER - 3RD YEAR APPRENTICE OF THE YEAR

Daniel Schultz - Adelaide Health Tech Group
Certificate III in Electrotechnology



Daniel Schultz & Holly Willcox

THEBARTON SENIOR COLLEGE – D2C AWARD

Ethan Fitzgerald - Thebarton Senior College
Certificate II in Carpentry



Eva Kannis-Torry, Ethan Fitzgerald, Steph Marsden

MURRAYLANDS TRAINING & EMPLOYMENT (MTE SA) – BUILDING TRADES EXCELLENCE AWARD

Toby Christiansen - Hills and Country Painting
Certificate III in Painting and Decorating



Rebecca Krumenauer, Toby Christianen & Brad Fawcett

MASTER PLUMBERS SA – MOST OUTSTANDING APPRENTICE AWARD

Aaron Beaty
Certificate III In Plumbing



Aaron Beaty

APPENDIX

ENDORSED QUALIFICATIONS LIST 2023-2024

ENDORSED QUALIFICATIONS LIST 2023-2024

Certificate II in Civil Construction	Certificate III in Scaffolding
Certificate III in Gas Fitting	Certificate III in Data & Voice Communications
Certificate II in Construction (Steel Frame Installer)	Certificate III in Shopfitting
Certificate III in Glass and Glazing	Certificate III in Demolition
Certificate III in Air-conditioning and Refrigeration	Certificate III in Solid Plastering
Certificate III in Joinery	Certificate III in Electrotechnology Electrician
Certificate III in Bricklaying and Blocklaying	Certificate III in Steelfixing
Certificate III in Landscape Construction	Certificate III in Stonemasonry
Certificate III in Cabinet Making (Kitchens and Bathrooms)	Certificate III in Electrical and Refrigeration/ Air-conditioning Technician (Dual Trade)
Certificate III in Painting and Decorating	Certificate III in Wall & Ceiling Lining
Certificate III in Carpentry	Certificate III in ESI - Power Systems - Distribution Overhead
Certificate III in Plumbing	Certificate III in Wall & Floor Tiling
Certificate III in Civil Construction	Certificate III in ESI - Power Systems - Transmission Overhead
Certificate III in Rigging	Certificate IV in Building and Construction
Certificate III in Civil Construction Plant Operations	Certificate III in Fire Protection
Certificate III in Roof Plumbing	Certificate IV in Building Project Support
Certificate III in Concreting	Certificate III in Flooring Technology
Certificate III in Roof Tiling	Certificate IV in Civil Construction
Certificate III in Construction Waterproofing	



**THE FUTURE IS
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