

ANNUAL REPORT 2009-2010

**Building and Construction Industry Training
Board**



Supporting Skills Training in the Western Australian Construction Industry

STATEMENT OF COMPLIANCE

TO HON. PETER COLLIER MLC MINISTER FOR ENERGY; TRAINING AND WORKFORCE DEVELOPMENT

In accordance with Section 61 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament the Annual Report of the Building and Construction Industry Training Board for the financial year ended 30th June 2010.

A handwritten signature in black ink, consisting of several overlapping, stylized strokes.

.....
Ian C Hill
Chairman
BCIT Board

PURPOSE

To improve the quality of training and to increase the number of skilled persons in the building and construction industry”

Key Strategic Objectives

- To support apprenticeships and other entry level training;
- To raise the profile and awareness of the building and construction industry as a multifaceted career opportunity, particularly focusing on young people, their parents and educators;
- To support training for workers in the industry;
- To support training in Occupational Safety & Health and technology;
- To support recognition of Prior Learning
- To support innovations in training and research in competency and training needs

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PERFORMANCE HIGHLIGHTS 2009/10

- **Income of \$31.4 million.** An increase of **\$9 million** or **40%** on 2008/09. Due primarily to **Government Stimulus spending**

- **Expenditure of \$26.4 million.** **\$2 million** or **8%** higher than 2008/09 achieved despite downturn in economy

- Provided **5,175 apprentice subsidies** to employers, totalling **\$16.6 million.**
- Provided **389 bonus subsidies** to enable employment of **Mature Age Apprentices**
- Subsidised **27 Regional Apprentices** to meet living away from home expenses whilst undertaking technical training

- Funded **16,279** people to undertake **Skills Training** at a cost of **\$5.4 million**
- Funded **11,547** people to undertake **Occupational Safety & Health** training at a cost of **\$1.3 million**
- Funded **60** people to undertake skills assessment – **Recognition of Prior Learning**

Excellent Results in Promoting Industry Careers Including:

- **96,700** Visits to Information Websites
- **1,588** School Students supported to undertake **School to Work Transition** programs (+15% on 2008/09)
- **129 Presentations** made on careers at **schools** and **expos** including **17 regional** presentations
- **501 information visits** made to employers and probationary apprentices **on building sites**
- Relationship with **50 schools** who have received support for **School to Work Transition** programs

Training Advisory Services Role – Very Active

- Facilitated debate and industry position on **Institutional Training**
- Processed **30** requests for information or variation to **training / apprenticeships**
- Supported industry response to **new pre-apprenticeship program**
- Developed construction industry **Workforce Development Plan**

CHAIRMAN'S REPORT

THE YEAR IN REVIEW

Economic Uncertainty

The 2009/10 year has been a successful one for the training Fund which has operated in a volatile and uncertain economic environment. The impact of the global financial crisis continued in the early part of the year and was reflected in a slowdown in activity generally and a reduction in training.

In 2009 the industry experienced a 30% to 40% reduction in apprentice intakes and reduced skills training, however by 2010 activity started to return to normal levels and training commitment responded accordingly.

Increased Revenue

Despite the economic uncertainty the Fund received a record \$31.4 million in revenue which was \$9 million or 40% more than last year. The bulk of this revenue came from Commonwealth Government stimulus spending and State Government infrastructure investment.

Increased Expenditure

The Fund spent \$26.4 million with \$24.8 million or 94% allocated to training subsidies and support programs. This expenditure was \$2 million higher than 2008/09 and a pleasing result given the economic and financial uncertainty prevailing during the year.

Board Decisions

In late 2009 when it became apparent that the global financial crisis was impacting on apprentice intakes the Board acted decisively and implemented a number of changes to subsidies to encourage employment. These included:

- Increased apprentice subsidies provided to employers by 29% with 3 and 3 ½ year indentures rising from \$7,000 to \$9,000;
- Implemented a weighting for regional apprentice subsidies with an extra 10% for South West and 20% for North West Apprentices;
- Changed eligibility for the \$3,000 mature age apprentice bonus from 30 years of age to 21 years;

These changes and the Commonwealth Government's apprentice subsidy bonuses appeared to have an impact with a significant increase in apprentice intakes in 2010.

Strong Program Results

During the year the training Fund funded 5,175 apprentice employment subsidies, 27,826 workers to undertake skills and OSH training and 1,588 secondary students to complete School to Work Transition programs.

New Corporate Identity and Image

During the year the Building and Construction Industry Training Board established a new corporate identity and now promotes its operations through the trading name of **"Construction Training Fund"**.

The Fund moved from its old acronym "BCITF" in September 2009 and continued operations as the **"Construction Training Fund"** when moving to new office premises at 40 Hasler Road, Osborne Park. The change in name and office location has proven very successful in raising awareness of the Fund's operations within industry and the community.

Industry Stakeholders

As in previous years the BCIT Board has maintained a strong working relationship with industry and Government stakeholders and through various means including planning workshops has involved stakeholders in strategic direction setting and decision making.

Planned Activities for 2010/11

In addition to the existing successful programs in place the Board has obtained the Minister's approval to implement a wide range of new incentives and initiatives in 2010/11 which include:

- Encouragement for apprentices completing their indentures to stay in the industry and undertake additional training including small business management skills;
- Increasing the maximum subsidy for supplementary skills and OSH programs from \$825 to \$1,800 in the metropolitan area and \$2,300 in the country;
- Recognising short training courses delivered by Regional TAFE Colleges for subsidies where no private provider is delivering the training and increasing subsidies for regional training to 90% of the median course cost;
- Providing support for apprentice mentoring programs;
- Recognising School based apprenticeships for employer subsidies;
- Increasing the pre apprenticeships scholarship from \$250 to \$500;
- Increasing funding for awards for excellence conducted by industry and training organisations from \$1,500 to \$2,000;
- Providing support for World Skills competitions;
- Providing a payment of \$500 to employers who pay apprentices technical training fees. This is a transitional program which will only apply for 12 months till June 2011;
- Providing a subsidy of 100% of course fees for supplementary skills and OSH training for unemployed people seeking to gain employment in the construction industry;
- Providing a subsidy of \$50 per day, maximum \$200, to employers who release workers for formal training courses to help defray some of the wages cost during the employees absence;
- Providing a subsidy of 100% of course fees for supplementary skills and OSH training for school students, pre-apprentices and apprentices.

The Operational Plan for 2010/11 is based on increasing expenditure by \$5.5 million or 21% to \$31.9 million.

Training Advisory Services

During the year the Board together with its industry advisory committees responded to a range of key policy issues relating to training and skills development. Several of these issues were complex and sensitive, the most significant being Institutional Training. Through a strong consultation process and good will on the part of all participants the Board was able to determine an industry position on the issue of Institutional Training and provide advice and a possible model of training for future development to the State Training Board.

Acknowledgments

The Board has once again appreciated the excellent results achieved by the Construction Training Fund's professional and hard working staff who have implemented new subsidies and programs at short notice and maintained their strong working relationship with industry stakeholders.


Board Membership

On the 20th June 2010, the term of appointment of Board members expired and a new Board has been appointed for a term of 3 years, expiring in June 2013.

Two members, namely Juliette Hunt and Darren Kavanagh, have retired and I take the opportunity to thank them sincerely for their sound advice and valuable contribution over a number of years. My appreciation is also extended to the other Board members who each make a strong contribution to the Corporate Governance of what continues to be a very effective organisation.

Finally I take the opportunity to thank the Hon. Peter Collier, MLC Minister for Energy; Training and Workforce Development who has been a strong advocate for training and the work of the Construction Training Fund.

The Minister and his staff's support of the Construction Training Fund has been greatly appreciated.



Ian C Hill
Chairman
BCIT Board

EXECUTIVE DIRECTOR'S REPORT

THE YEAR IN REVIEW

The 2009/10 year has been a year of significant change for the BCITF which continued operations under a new trading name of "Construction Training Fund" in September 2009.

At the same time the Fund launched a new logo and product brand under the No Limits banner and it is pleasing to report that the changes have been successful and received strong positive feedback from industry, community stakeholders and customers.

The Construction Training Fund also established itself in new office accommodation at 40 Hasler Road Osborne Park with the change in address, trading name and branding all happening at the same time to keep costs to a minimum.

Construction Activity

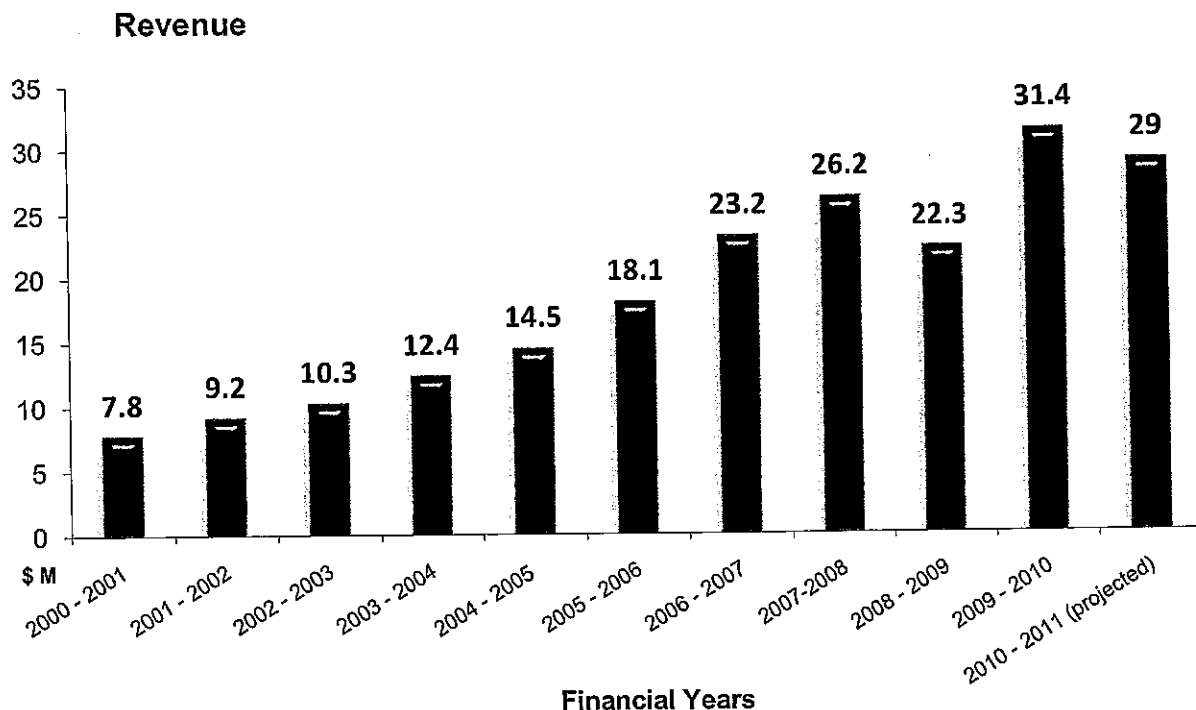
The Fund has experienced significant volatility during the year with some sectors of industry still adversely affected by the global financial crisis but other sectors achieving increased operations.

Record Income Achieved

Income for the year was a record \$31.4 million which was \$9 million or 40% more than 2008/09 and \$9.0 million more than budgeted. The dramatic growth was achieved primarily in the commercial and engineering sectors and due to unprecedented Government stimulus and infrastructure spending which was not planned at the start of the year.

The following chart details the significant growth and volatility in industry activity and as a result Construction Training Fund revenue in recent years.

History of Construction Training Fund Income \$Millions



HISTORY OF CONSTRUCTION TRAINING FUND INCOME \$MILLIONS CONT.

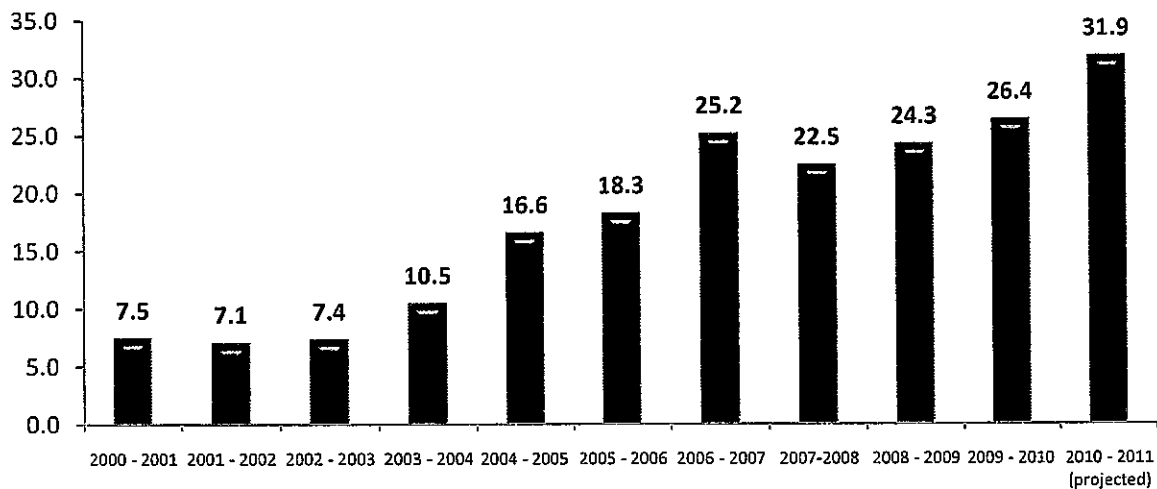
Projected income for 2010/11 has been very difficult to estimate because of uncertainty in the economy generally.

Industry and Economic analysts have widely varying estimates of projected activity and labour force. There is also expected to be a reduction in Government stimulus spending and as a result the training Fund is budgeting for income of \$29 million in 2010/11.

HISTORY OF EXPENDITURE

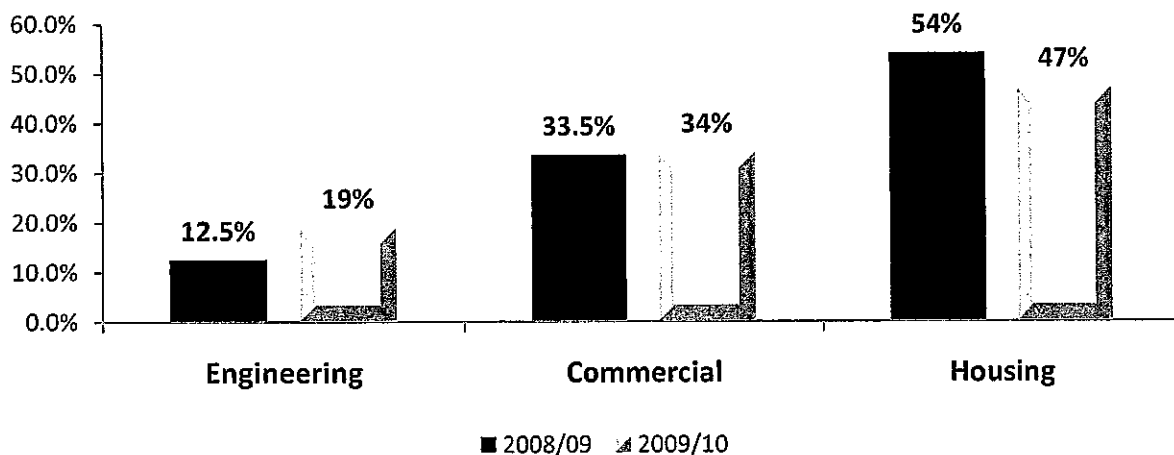
Record Expenditure Despite Economic Downturn

The global financial crisis and slow down in activity saw a marked reduction in training effort in 2009. Apprentice intakes reduced by 30% to 40% depending on the trade and training in Occupational Safety and Health slowed considerably as a result of reduced recruitment of workers. Commitment to training picked up again in 2010 and this coupled with timely decisions by the BCIT Board to increase subsidy support has enabled the Fund to achieve increased expenditure. A suite of new initiatives have also been planned for 2010/11 which will result in \$31.9 million in planned expenditure.



INDUSTRY SECTOR INCOME

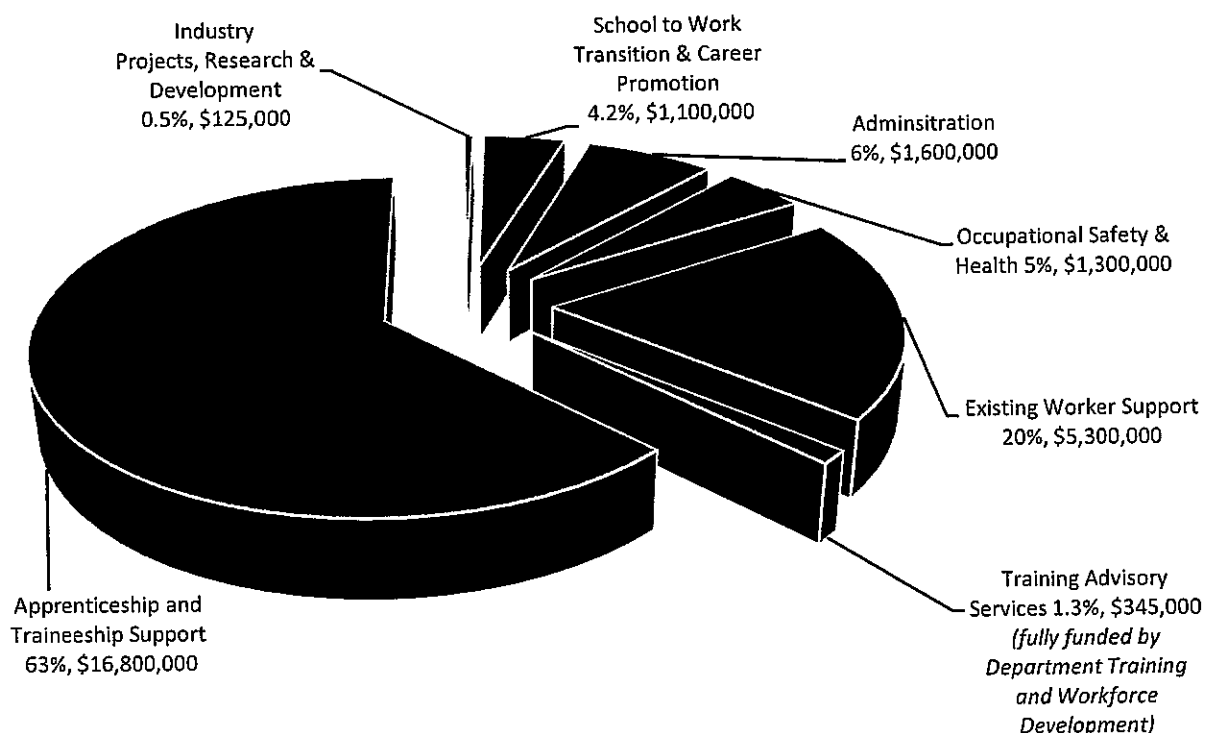
Levy receipts from Industry sectors changed significantly during the year due to the impact of the global financial crisis with a larger proportion of income being received from the Engineering Sector and the housing sector contribution lower.



INCREASED EXPENDITURE ON SUPPORT PROGRAMS

Despite the initial downturn in training commitment the Fund expended \$24.8 million or \$2.3 million more in training support during 2009/10 than the previous year. The following graph shows a breakdown of expenditure for the year.

The Fund's recurrent administration costs of \$1.6 million were 6% of total expenditure.



PROGRAM RESULTS

It is pleasing to report that during the year the Fund achieved the following key results:

- Provided 5,175 apprentice subsidies;
- Provided 16,279 supplementary skills training subsidies to industry workers;
- Provided 11,547 Occupational Safety and Health training subsidies to workers;
- Provided funding support for 1,588 school students to undertake School to Work Transition support programs;
- Provided information at 129 Career Expo and School Presentations including 17 regional events and had approximately 96,707 visitors to information websites;
- Visited 501 apprentices and employers on site to provide information and support.

TRAINING ADVISORY SERVICES

The BCIT Board has been providing strategic advice to the Government on training and skills development in its role as an Industry Training Council. This work is fully funded, under contract, to the Department of Training and Workforce Development.

During the year it has successfully facilitated stakeholder debate on a range of important training issues included Institutional Training, pre-apprenticeship training, regional training and vocational education.

SUMMARY

The Building and Construction Industry continues to grow and respond to the State's economic activity. Although experiencing peaks and troughs in activity resulting from economic fluctuations the Construction Training Fund has been able to adapt quickly and increase support for training in the industry which is in itself a key driver of the State's economic success.



Ralph Dawson
Executive Director
Construction Training Fund

BOARD MEMBERSHIP

The Building and Construction Industry Training Board is a body corporate which is responsible for the administration of the training levy and Fund operations.

The Board has seven members appointed by the Minister for Energy; Training and Workforce Development. The current term of appointment of Board members expired on the 20th June 2010. A new Board was appointed and member's term of appointment expires on the 20th June 2013.

NEW BOARD PROFILES

Mr Ian Hill
(Chairman)

- Was appointed as Chairman in July 2003 and has a career spanning over 30 years in the State Public Sector. During this time Mr Hill has been employed as Chief Executive Officer of the Department of Corrective Services and Director General of the WA Department of Training and Employment.
- Mr Hill currently chairs the Building and Construction Industry Training Board and the Training Accreditation Council.

Mr Gary Fitzgerald
(member).

- Was appointed to the Board in April 2006 and is currently employed as Strategic Business Development Manager with MacMahon Contractors Pty Ltd. Mr Fitzgerald's career spans work as a Project Engineer with Main Roads and subsequently Project Management in the commercial and engineering sectors of the building and construction industry

Mrs Susan Bailey,
(member)

- Was first appointed as a member in July 2003, and is the Company Director of Bailey Corporate Pty Ltd a corporate consulting and furniture and homewares retail organisation.
- Mrs Bailey possesses 24 years experience in the housing construction industry which includes employment as General Manager of Homestart building company and serving as past President of the Housing Industry Association (WA/Asia).

Mr Steve McCartney
(member).

- Was appointed to the Board in June 2007 and has had extensive experience in the mining construction, maintenance and waterfront industries. Mr McCartney has been an organiser with the Australian Manufacturing Workers Union and is currently President of the Union

Mr Maxwell Rivett
(member)

- Was appointed to the Board in June 2007 and is Director / Partner of Cooper and Oxley Builders Pty Ltd where he has worked since 1974. Mr Rivett has been a past president of the Master Builders Association and Director of Master Builders Australia Incorporated.

Mr Les Wellington
(member)

- Was appointed as a new member on the 20th June 2010 and has been employed as CEO of the Construction Skills Training Centre in Welshpool since 1998. Prior to this employment Mr Wellington has been employed for a number of years as a union official with the Construction Forestry, Mining and Energy Union of WA.

NEW BOARD PROFILES CONT.

Ms Sue Hartree
(member)

- Was appointed as a new member on the 20th June 2010 and is currently employed as a Learning Director with the Real Estate Institute of WA and has held other management roles within the Institute, prior to this Ms Hartree was employed as a Senior Social Worker within the community services sector. Ms Hartree possesses a Bachelor of Arts and Masters Degree in Training and Development from Edith Cowan University.

Mr Darren Kavanagh
(member)

- Was appointed to the Board in December 2006 and has retired following expiry of his term of appointment in June 2010.

Ms Juliette Hunt
(member)

- Was appointed to the Board in June 2007 and has retired following expiry of her term of appointment in June 2010.

OBJECTIVES AND OPERATIONS

The Building and Construction Industry Training Fund operates under the authority of the Building and Construction Industry Training Fund and Levy Collection Act 1990 and has been in operation since 1991. During 2009 the Fund continued operations under the trading name of **"Construction Training Fund"**.

The objectives of the Fund are to collect a training levy of construction projects and use the resources obtained from the levy to:

- Improve the quality of training
- Increase the number of skilled persons in the building and construction industry

Levy Collection

Funds are collected through a levy which is 0.2% of the value of construction projects in Western Australia. This equates to \$400 on a project valued at \$200,000. The levy was increased from 0.182% to 0.2% from the 1st January 2007.

The Fund pays collection agencies (local Government authorities) a fee of \$6.00 per transaction for the collection and remittance of the levy on a monthly basis.

The levy covers all construction work valued over \$20,000 and includes work in the housing, commercial and civil sectors of the industry.

Construction work, other than housing or commercial, in the resources sector is exempt from payment of the levy. The bulk of levy payments are made by builders through Local Government Authorities when the building licence is issued.

Support Programs

The Building and Construction Industry Training Fund meets its objectives to increase the number of skilled workers and improve the quality of training by providing financial resources to support various programs including:

- Apprenticeships and other forms of entry level training
- Supplementary training for people already qualified to work in the industry
- Training in technology and occupational safety and health
- Recognition of people with existing skills, knowledge or aptitude appropriate to the industry
- Accreditation of training courses
- Innovations in training and research relating to competency and training needs in the industry
- Career promotion and training information support services

APPRENTICESHIP / TRAINEESHIP SUPPORT

How it Works

- Employers are paid a subsidy of up to \$9,000 depending on term of indenture to support the employment of apprentices.
- Employers of directly indenture apprentices received payment in 3 instalments.
- Group Training Schemes receive the same amount but paid as a monthly contribution which is passed on to the hirer of the apprentice.
- Bonus subsidies are also provided if the apprentice resides in the country or is a mature age apprentice.

Key Results

Provided 5,175 subsidies and 399 bonus subsidies to employers to support employment of apprentices and trainees

During the latter part of 2009 during continued uncertainty as a result of the global economic crisis the Construction industry experienced a 30% reduction in apprentices in training. Employers were failing to replace apprentices who completed their indenture or left and the BCIT Board therefore acted quickly to implement an increase in subsidies and other changes to encourage additional employment of apprentices.

- Subsidies were increased by 29% with 3 and 3.5 year indentures rising from \$7,000 to \$9,000;
- A weighting of 10% for South West Regional and 20% for North West regional apprentices was established raising the typical subsidy for a South West apprentice to \$9,900;
- Direct indenture employers are now receiving subsidies in 3 instead of 2 instalments to support cash flow with 25% on commencement, 25% half way through the indenture and 50% on successful completion;
- Eligibility for the \$3,000 mature age bonus payment has changed from 30 years of age to 21 years of age;

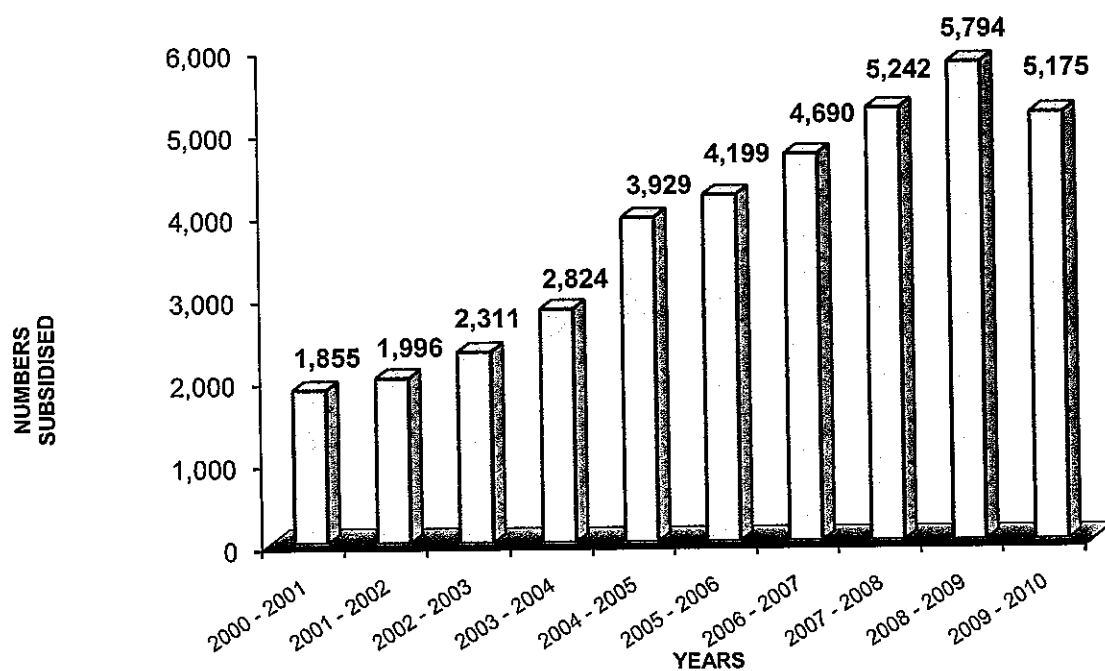
2009/10 RESULTS

	NUMBER	EXPENDITURE
• Direct Indenture Apprentices	*2,894	\$9,626,000
• Group Training Apprentices	*2,281	\$6,217,000
• Mature Age Bonus (direct indenture)	389	\$660,000
• Apprentice Living Away from Home Allowance	27	\$9,000
• Pre Apprenticeship Scholarship	274	\$69,000
TOTALS	*5,175	\$16,581,000

Although there was a 30% reduction in apprentice numbers during 2009 the Board's decision to increase subsidies along with the Commonwealth Government's Kickstart subsidies and an improvement in the economy appears to have had a positive impact.

Between January and May 2010 there were 2,079 apprentice commencements, a 101% increase on the 1,032 commencements in the same period in 2009.

Apprenticeship / Traineeship Support Cont.

History of Apprentice Subsidies Provided

The 5,175 subsidies provided during 2009/10 represents a 10% reduction on the number provided in 2008/09 but is a strong and positive result given the impact of the global economic crisis and downturn in apprentice numbers early in the financial year.

SUPPLEMENTARY SKILLS SUPPORT

How it Works

- Workers in the industry receive a subsidy up to 80% of the median course cost to undertake skills and occupational health and safety training.
- The Fund recognises approximately 300 courses delivered by 50 private registered training organisations.

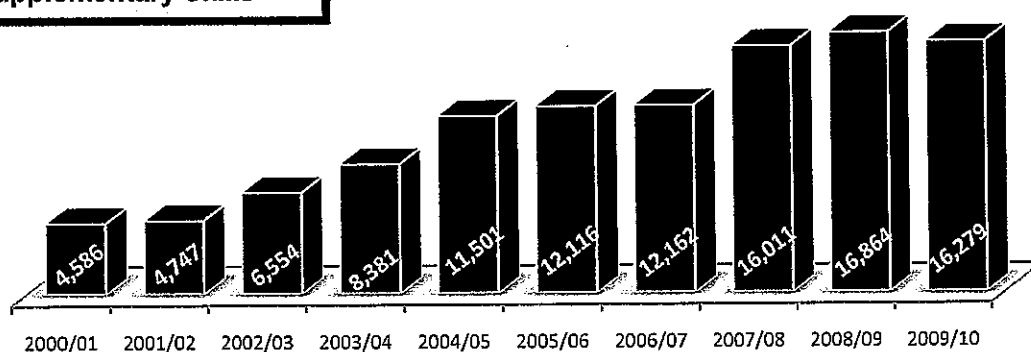
2009/10 Results

	Number of Subsidies	Expenditure
Supplementary Skills	16,279	\$5,400,000
Occupational Safety & Health	11,547	\$1,300,000

Approximately 23% of workers in the industry have benefitted from training subsidised by the Construction Training Fund.

History of Worker Training Support

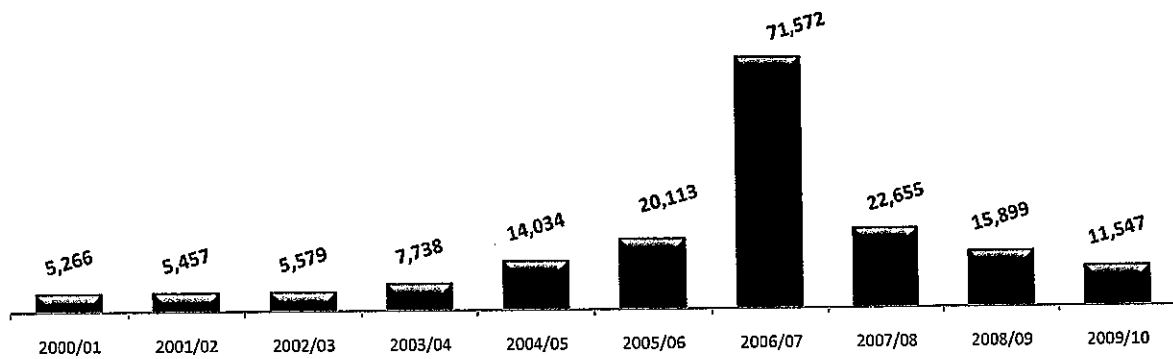
Supplementary Skills



The number of workers subsidised for supplementary skills training in 2009/10 was 16,279 or 3% less than 2008/09 but a strong result given the impact of the global economic crisis and uncertainty in the industry.

OCCUPATIONAL SAFETY AND HEALTH SUPPORT

Occupational Safety & Health



The number of workers supported to undertake OSH training was 11,547 or 27% lower than last year with both years reflecting the impact of the financial crisis and the fact that during this time employers generally maintained their workforce and did not recruit new employees who require OSH training.

CAREER PROMOTION AND SCHOOL TO WORK TRANSITION SUPPORT

During the year the Fund managed a suite of programs that has maintained a strong community and industry presence for the training Fund and industry career opportunities.

HOW WE DO IT

- Comprehensive media campaign in TV, Radio, Print and on line advertising, promoting the "One Industry – No Limits" information web site and careers in the industry
- Distribution of information to schools and career presentation to school students, parents and teachers
- Attendance at Careers Expos
- Promotion of apprenticeship and other training to employers through brochures and advertisements in industry magazines and newsletters
- Visits to apprentices and employers on site to provide information on apprenticeships in order to support a reduction in attrition rates
- Funding School to Work Transition programs aimed at giving school students practical knowledge and understanding of apprenticeships
- Funding awards for training excellence provided by industry employer organisations
- Funding scholarships for pre-apprenticeship students to pay for part of course fees

CAREER PROMOTION RESULTS FOR 2009/10

- Allocated \$819,000 to advertising and promotion campaigns
- Received 57,081 visits to the BCITF website and 39,626 visits to the "No Limits" information website
- Subsidised 1,588 school students to undertake School to Work, Transition (18% increase on 2008/09) programs including:
 - 228 Structured work experience
 - 309 Safety induction training
 - 274 pre-apprentice scholarships
 - 777 "Try a Trade" taster courses
- Training Support Officers visited 501 apprentices and their employers during the first eight weeks of the apprenticeship to provide information and support which resulted in a reduction in the attrition of apprentices (50% increase in visits on 2008/009)
- Training Support Officers have been able to visit employers and apprentices in Regional Western Australia whilst also attending regional schools and career expos
- 129 Career presentations made to schools and at career expos including 17 in regional centres (70% increase on 2008/09)
- Maintained a cooperative relationship with 50 schools involved in Vocational Education and training programs.
- Funded 15 industry organisations to provide awards for Excellence
- Managed a successful school based pre-apprenticeship program in wet trades for 16 students which has been hosted by the Royal Agricultural Society at the Claremont Showgrounds

NEW INITIATIVES IMPLEMENTED DURING 2009/10

A number of new initiatives and increases in support for existing programs were implemented during the year including:

- Skills Assessment (RPL) 60 workers in the industry were provided with subsidies of approximately \$400 each to undertake RPL and gain trade qualifications
 - Living Away from Home Allowance – 27 apprentices residing in regional WA were provided with funding support to help defray the cost of accommodation whilst undertaking off the job technical training
- Apprentice subsidies were increased by 29% on the 1st January 2010 rising in most trades from \$7,000 to \$9,000 per apprentice. This was initiated to encourage and increase in apprentice intakes and appears to have had an impact. Between January and May 2010 apprentice commencements have increased by 100%
 - To recognise additional costs of training in regions a weighting (additional payment) of 10% for South West and 20% for North West apprentices has been implemented
- Eligibility for the mature age bonus subsidy of up to \$3,000 has changed from the apprentice being 30 years of age to 21 years of age which has resulted in an increase in mature age apprentice employment
 - A new work experience support initiative is being developed in conjunction with Group Training Schemes as a means of expanding the number of school students undertaking work experience in the industry. Group Schemes will be funded to co-ordinate the process and work with schools
- A second Training Support Officer has been employed to increase the support for employers and apprentices at the commencement of the indenture and this has enabled a greater presence in regional areas by the Training fund.

TRAINING ADVISORY SERVICES

Over the past 12 months Industry Advisory Services have provided advice to Government and the Department of Training and Workforce Development on a number of key training issues.

The key industry stakeholders, as part of the Construction Industry Strategic Group and working group, together with the BCIT Board identified and worked towards resolving significant issues relating to;

Institutional Delivery for Trade qualifications

- Development of Advanced Pre-Apprenticeship Programs
- VET in Schools
- Training for International students
- Establishment and Variation of Apprenticeships and Traineeships
- Industry Workforce Development Plan

Industry stakeholders identified Institutional delivery of trade qualifications as a key issue that is not supported by the majority of stakeholders; the development of an Advanced Pre-Apprenticeship by the stakeholders is seen as a means of addressing institutional delivery and also maintaining training effort in times of reduced industry activity.

VET in Schools continues to be the subject of on-going review by the Department of Training and Workforce Development to which the Board has provided a number of submissions. Industry stakeholders are not satisfied that the vocational education and training system is achieving the results which support students to pursue vocational careers in the way needed.

The issue of training for international students has been debated by the Board and stakeholders and found only limited support for, or expansion of, the qualifications currently being offered by public and private training providers.

A comprehensive Industry Workforce Development Plan has been submitted to the Department of Training and Workforce Development. This plan will be reviewed on a quarterly basis in conjunction with the quarterly Construction Industry Snapshot reports provided to key stakeholders and industry by the Board.

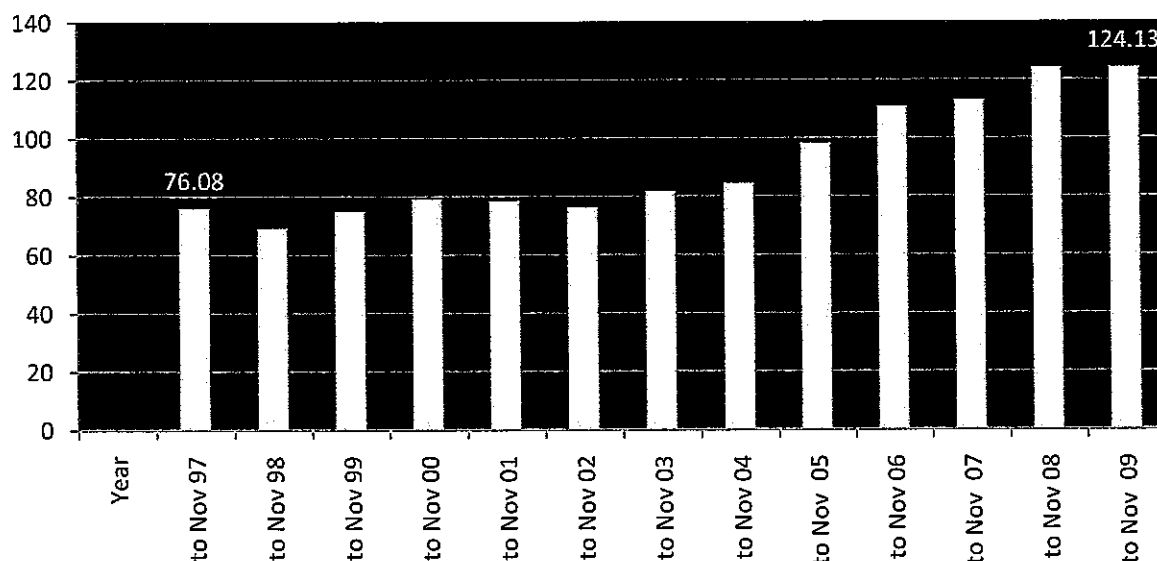
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The following graph shows the growth of the construction industry over the last 13 years to Nov 2009.

The growth in the industry is at a higher rate than all industries combined. In the last ten years the Western Australian workforce has increased by 30%, while the construction industry workforce has increased by 66%.

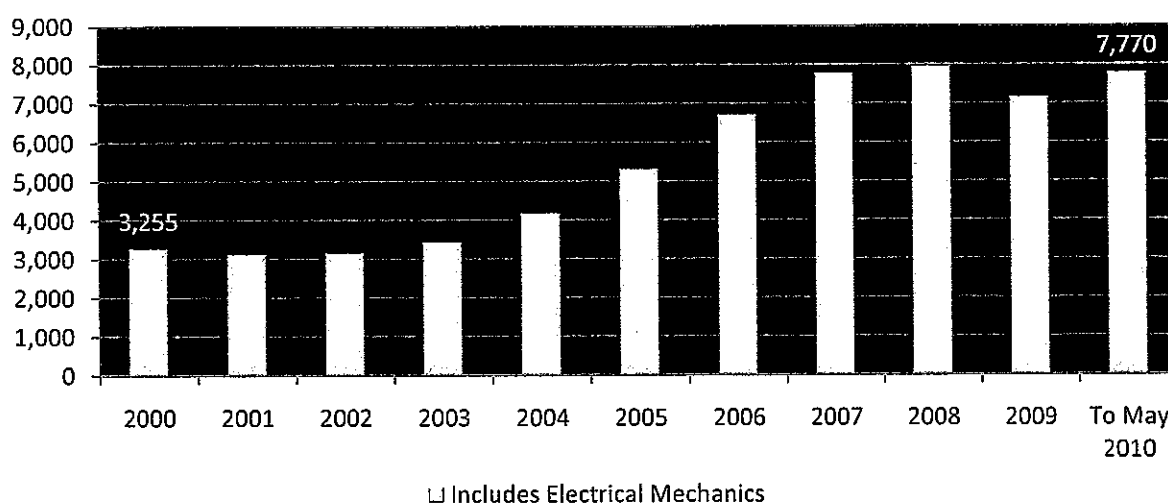
Over the last 5 years, the Construction Industry workforce has increased by 52%, compared to a 21% increase in the state workforce.

Number Employed Construction Industry WA in '000s



The following graph shows the growth of construction apprenticeship numbers over the past 10 years and the reliance that is placed on apprenticeships to meet the skills demand. The industry has had a peak 'training rate' of 15% (apprentice to tradesperson ratio) and is currently around 12% which compares favourably with the 'all other industry' average of 8%.

Construction Apprentices in Training over past 10 years



RESEARCH AND DEVELOPMENT PROGRAM

During the year the Research and Development area focussed on three key projects, namely the WA construction Industry Snapshot, a project to Evaluate the Effectiveness of Mandatory Safety Awareness Training (White Card) and a regional consultation process which involved communicating with industry employers and stakeholders in regional WA to identify issues of concern about training.

Construction Industry Snapshot

The previous "State of the Industry" report has been revamped and reconfigured into a quarterly "WA Construction Industry Snapshot". This report is a concise and an up to date description of construction activity, workforce statistics, training results and trends.

The report is circulated to industry stakeholders and used by the BCIT Board to inform decision making and has received positive feedback as a useful resource.

Determining the effectiveness of Safety Awareness Training

This new project has been developed as a joint venture with Edith Cowan University, School of Management and aims to study the effectiveness of mandatory pre-site safety training required before a worker can go on to construction sites in Western Australia.

The project is being undertaken in several stages with a survey of workers and employers in the commercial sector of the industry being carried out as the first part of the exercise. A draft preliminary report has indicated that the training is regarded as effective and has raised awareness of the importance of health and safety in the industry.

Regional Consultation

During the year, visits were made to employers and stakeholders to seek their views on industry training development issues, skill shortages and training systems.

A report on the views of regional industry was produced which identified a range of important issues and which subsequently provided evidence or support for decisions the BCIT Board made to increase funding support for regional training.

INDUSTRY PROJECTS

During the year the Fund continued to provide support to the Fairbridge Association at Pinjarra for its implementation of a pilot training program for Indigenous trainees in "Building Maintenance".

The training Fund worked with Fairbridge, the Department of Education and Training and an industry steering committee to develop a new locally accredited course of training in building maintenance and funded Fairbridge to implement the training which involved indenturing eight Aboriginal trainees. The program has progressed successfully and although there was some attrition due to personal commitments of individuals, five of the trainees successfully completed their training and received their qualifications. Several of these trainees are now considering enhancement of their skills in a further apprenticeship. Now that the training program has been successfully trialled it is hoped that employers particularly in regional WA will see the opportunity to employ young people, particularly Indigenous people in Building Maintenance Traineeships.

Continued

The Fund has provided the OzHelp Association, a not for profit organisation established to reduce youth suicide in the construction industry, with funds to implement a pilot awareness training program for apprentices called "Lifeskills Toolbox".

Funding for the project is \$39,975 and involves refining a national OzHelp training package to meet local needs then delivering training to 100 apprentices in the construction industry in WA. At the end of the year OzHelp has completed the necessary training and is currently undertaking an evaluation and report to the training Fund on outcomes.

Mental health, and in particular suicide, is a serious problem within the industry and self awareness and lifeskills training it is critically important to reduce the often tragic results of young people who are depressed and do not know how to deal with the situation.

PLANNED OPERATIONS FOR 2010/11

The Minister for Energy Workforce Development and Training approved the Construction Training Fund's Operational plan for 2010/11 in June 2010. Below is a summary of the plan:

1 JULY 2010 TO 30 JUNE 2011 OPERATIONAL PLAN

INCOME

Levy Receipts	\$ 27,850,000
Interest Income	\$ 750,000
Other Income	\$ 400,000
TOTAL INCOME	\$ 29,000,000

APPRENTICE TRAINING SUBSIDIES

Group Training Schemes	\$ 7,685,000
Direct Indenture	\$ 10,840,000
Mature Age Bonus	\$ 770,000
Apprentice Living Away from Home Allowance	\$ 25,000
TOTAL PROGRAM EXPENDITURE	\$ 19,480,000

SUPPLEMENTARY SKILLS PROGRAMS

Construction Skills	\$ 4,300,000
Industry Skills	\$ 1,500,000
Employer Subsidy for Worker Release	\$ 1,500,000
Safety & Health Program	\$ 1,600,000
CAREER PROMOTION / SCHOOL TO WORK TRANSITION	\$ 1,400,000
RESEARCH & DEVELOPMENT	\$ 80,000
INDUSTRY SUPPORT PROGRAMS / RPL	\$ 100,000
ADMINISTRATION	\$ 1,600,000
TRAINING ADVISORY SERVICES	\$ 345,000
TOTAL PROGRAM EXPENDITURE	\$ 31,905,000
(Draw) Increase on reserves	(2,905,000)

PERFORMANCE MANAGEMENT FRAMEWORK

The outcomes and services delivered by the Construction Training Fund contribute to the Government's goals, which are summarised as follows:

STATE BUILDING – MAJOR PROJECTS

Building Strategic infrastructure that will create jobs and underpin Western Australia's long term economic development

The West Australian construction industry contributes approximately 9% of the Gross State product and employs 10.7% of the state's workforce. This includes 38% of the State's apprentice workforce.

The Construction Training Fund provides financial support to both employers and workers in the industry to employ and train apprentices and to undertake skills enhancement and OSH training. This support has a significant impact and during 2008/09 support has been provided to over 2,000 employers for employment of 5,175 apprentices.

In addition, support has been provided in the form of 27,826 subsidies for workers to undertake skills or OHS training.

FINANCIAL AND ECONOMIC RESPONSIBILITY

Responsibility managing the State's finances through the efficient and effective delivery of services encouraging economic activity and reducing regulatory burdens on the private sector

The BCITF delivers its support services to the construction industry through a levy on project owners of construction work. All costs are met from the levy with no contribution from the State Consolidated Revenue Fund.

The fund's overall administration costs have been maintained at approximately 6% of total expenditure. Independent statutory reviews of the Fund's operations have concluded that it is delivering both effective and efficient services which are contributing to the economic well being of the industry and the State.

OUTCOMES BASED SERVICE DELIVERY

Greater focus on achieving results in key delivery areas for the benefit of all Western Australians

Through its programs and services the Construction Training Fund has provided advice and information on employment and training to over 96,000 people during the year.

The Fund has provided direct financial support for training for over 32,000 people or approximately 26% of the construction industry's State workforce.

STRONGER FOCUS ON THE REGIONS

Greater focus on service deliver, infrastructure, investment and economic development to improve the overall quality of life in remote and regional areas

Approximately 30% of the Fund's revenue is derived from regional Western Australia and a similar amount of expenditure supports delivery of services for regional people.

During the 2009/10 the BCIT Board has developed a number of significant initiatives aimed at providing further support in the regions which include:

- Implemented a weighting on apprentice support subsidies for regional apprentices with employers in the South West receiving an additional 10% and in the North West 20%.
- Introduction of a Living Away from Home Allowance for regional apprentices who have to undertake their training at centres remote from their residence.
- Employment of an additional Field Officer to provide greater support for employers and apprentices in regional centres.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State

The Construction Training Fund has policies and processes in place to ensure that its services and operations are undertaken in a socially and environmentally responsible manner.

In addition the Fund has specifically supported training programs for the construction industry which address environmental sustainability objectives.

STATUTORY AND OBLIGATORY REPORTING

Legislation Impacting on the Building and Construction Industry Training Board's activities

In the performance of its functions, the Building and Construction Industry Training Board complies with the following relevant written laws:

- | | |
|---|--|
| • A New Tax System (Goods & Services Tax) Act 1999 | • Freedom of Information Act 1992 |
| • Building and Construction Industry Training Fund Levy Collection Act 1990 | • Government Employees Superannuation Act 1987 |
| • Copyright Act 1968 | • Industrial Relations Act 1979 (Employment Act) |
| • Corruption and Crime Commission act 2003 | • Library Board of Western Australia Act 1951 – 1983 |
| • Criminal Code Act 1995 | • Local Government Act 1960 |
| • Disability Services Act 1993 | • Occupational Safety and Health Act 1984 |
| • Electoral Act 1907 | • Public and Bank Holidays Act 1972 |
| • Electronic Transactions Act 2003 | • Public Interest Disclosure Act 2003 |
| • Equal Opportunity Act 1994 | • Public Sector Management Act 1994 |
| • Financial Management Act 2006 | • State Records Act 2000 |
| • State Supply Commission | • Statutory Corporations (Liability of Directors) Act 1996 |
| • Superannuation and Family Benefits Act 1938 | • Superannuation Guarantee (Administration) Act 1992 |
| • Workers Compensation and Injury Management Act 1981 | |

In the financial administration of the Building and Construction Industry Training Board, we have complied with the requirements of the Financial Management Act 2006 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.

Publications

The following publications are produced by the Building and Construction Industry Training Board and are available on request.

- Annual Report
- Career information booklets
- Program information on website bcitf.org
- Quarterly Construction Industry Snapshot
- Quarterly newsletters
- Training subsidy pamphlets
- Career information on website nolimits.com.au

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Board members or senior officers or firms of which members or senior officers are members, or entities in which members or senior officers have substantial interests had any interests in existing or proposed contracts with the Building and Construction Industry Training Board.

Changes in Written Law

No changes were made to legislation administered by the Board during the year in review.

Ministerial Directives

The Building and Construction Industry Training Fund and Levy Collection Act provides for the Minister for Energy; Training and Workforce Development to approve the Building and Construction Industry Training Fund's Operational Plan for the forthcoming year.

The Minister approved the 2010/11 Operational Plan in June 2010.

No further ministerial directives were issued.

Staff Development

The Building and Construction Industry Training Board is committed to the personal development of its employees.

\$10,743 was spent on staff development in 2008/09 which represents 1.1% of salary costs.

Major Promotional, Public Relations or Marketing Activities

The Building and Construction Industry Training Fund administered a Career Promotion and Marketing Program during the year to raise awareness of career opportunities within the building and construction industry.

The Fund also promoted the availability of financial subsidies to industry and used various media and marketing strategies including the following information web sites:

www.bcitf.org
www.nolimits.com.au

Continued

The following information complies with section 175ZE of the Electoral Act 1907 and details expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2009/10 was \$450,443.69			
Advertising Agencies	\$	132,183.82	
Adcorp	\$	1,026.00	Executive Media \$ 3,386.35
Aspermont	\$	2,100.00	HIA \$ 8,372.70
Vinten Browning	\$	39,227.00	Hobsons Australia \$ 7,820.00
Branch Media	\$	4,275.00	Market Media \$ 1,695.95
Business Promotions Aust	\$	5,180.00	NECA WA \$ 2,920.92
Construction Worker	\$	2,500.00	Summit Advertising \$ 3,251.90
Crowther Blayne	\$	8,058.00	Times Publications \$ 3,990.00
Market Research Companies	\$	13,666.80	
ASB Marketing	\$	13,666.80	
Vinten Browning/TNS Research	\$	18,000.00	
Polling Organisations		nil	
Direct Mail Organisations		nil	
Media Advertising Organisations		\$304,593.07	
Media Decisions	\$	304,593.07	

Pricing Policies on Services

The Building and Construction Industry Training Fund does not charge any fees for services it renders, however, the BCIT Board entered into a contract with Department of Training and Workforce Development to deliver training advisory services for the construction industry. The contract for the period under review is valued at \$345,000 for delivery of services until 30th June 2010.

Insurance Premiums paid to indemnify members of the Board

A Director's and Officer's liability insurance policy was taken out to indemnify members of the Building and Construction Industry Training Board against any liability incurred in undertaking their responsibilities. The amount of the insurance premium in 2009/10 was \$8,035.

Freedom of Information

The BCITF has published and maintained information statements in the form of hard copy pamphlets and information on its www.bcitf.org website enabling people to access information about programs, policies and procedures.

Procedures are in place to respond to applications under the Freedom of Information Act. No applications were received during the year under review.

Occupational Safety, Health and Injury Management

The Construction Training Fund is committed to providing a safe and healthy work environment for all staff and visitors. The fund's goal is to have a workplace that is free from work-related injuries and diseases by developing and implementing safe systems of work and by continuing to identify hazards and to control risks as far as practicable.

The fund promotes a consultative environment in which management, staff and other stakeholders work together to continually improve occupational safety and health practices. Formal mechanisms for consultation with employees on occupational safety and health matters include:

- Maintenance of Occupational Safety and Health policy as part of the Fund's Human Resource Management processes as detailed in the Human Resources Manual.
- Identification of Health and Safety risks and monitoring by management and staff.
- Dissemination of information and discussion at staff meetings
- Dissemination of information and monitoring at management meetings

The Training Fund's Human Resource Manual includes a policy on injury management, which was developed in accordance with the Workers' Compensation and Injury Management Act 1981.

In late 2008, Occupational Safety and Health policies were updated and documented through a consultation process with all staff members facilitated by an independent consultant. These policies and processes were documented in the Fund's Human Resource Manual provided to all staff and forming part of the induction for all new staff and are used as a reference by all staff.

In September 2009, the Fund moved to new office premises at which time staff were appraised of new emergency and evacuation procedures. The Fund has an employee assistance program in place.

There were no compensation claims processed during the year.

The Construction Training Fund's Occupational Safety and Health statistics for 2009/10 are shown below:

Occupational Safety and Health Statistics	2009/10 Target	2009/10 Actual
Number of fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within 28 weeks	Annual percentage result	n/a
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 50%	*40%

* Arrangements are in place for additional managers to undertake training in order to meet the target.

Recordkeeping Plans

Records Management Framework

The Training Fund is committed to maintaining record keeping practices consistent with the State Records Act 2000. The current Record Keeping Plan was approved by the State Records Commission for five years in September 2008 and has approval for continuation until 2014.

Evaluation and Review of Efficiency and Effectiveness of Systems

During 2009/10 the Fund's record keeping processes continued to undergo review which resulting in updating and improvement of the fund's electronic records management processes.

Offsite Storage and Disposal

The Fund continues to maintain an offsite storage facility for the storage of all "significant" records for the duration of their retention. A regular disposal program is undertaken to ensure ongoing on-site storage capacity.

Electronic Records Management

All incoming, outgoing and significant internal documents are being saved electronically into the Electronic Records Management System.

Induction and Training

New staff are informed of their roles and responsibilities for records management as part of the Fund's induction program manual. The Human Resources manual provides detailed information for staff relating to a wide range of human resource practices and obligations including Code of Conduct, Recruitment, Managing Performance, Occupational Safety and Health and safety and Employee relations. Sections of the manual have been reviewed and updated as required.

Sustainability Code of Practice

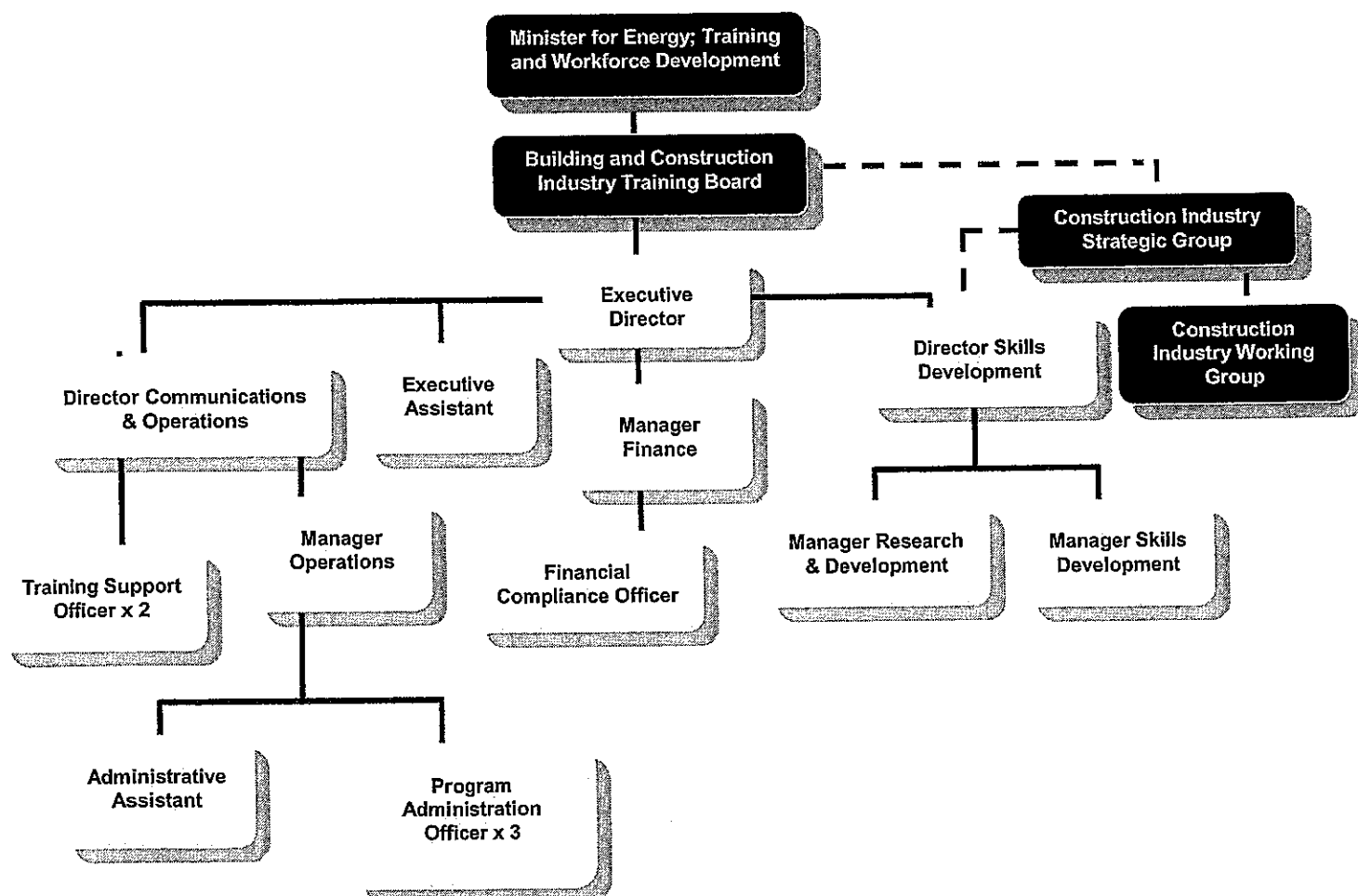
As a non SES organisation the Construction Training Fund is not required to maintain a Sustainability Action Plan however, the Fund continues to apply the principles set out in the code as part of good governance of the Fund. This includes:

- Strategic planning is based on assessment of longer term needs of the building and construction industry and involves objectives and strategies that ensure the maximum effectiveness and the long term sustainability of Fund resources;
- Agency operations and use of resources support sustainability, including a motor vehicle fleet of 3 vehicles that includes an LPG powered vehicle;
- Staff are encouraged to make the most effective use of recycled paper products and to minimise light and power usage;
- The Construction Training Fund has responded to new training programs in the building and construction industry relating to sustainable building practices by providing training subsidies.

Continued

Building and Construction Industry Training Fund Staff Profile		
	2008/09	2009/10
Full Time Permanent	7	10
Full Time Contract	3	3
Part Time Permanent	1 @ .5 FTE 1 @ .75 FTE	1 @ .5 FTE 1 @ .75 FTE
Trainees	1	0
TOTAL FTE	12.25	14.25
As at 30 June 2010		

CONSTRUCTION TRAINING FUND ORGANISATIONAL STRUCTURE



Western Australian Public Sector Code of Ethics

The code of ethics is available to staff as part of the induction of new staff.

Compliance issues

There has been no evidence of non-compliance with the Public Sector Code of Ethics.

Public Sector Standards

Managers and staff are required to comply with the Public Sector Standards in Human Resource Management. Examples of monitoring provisions include:

- For recruitment, selection and appointment, an individual review of each process is undertaken by the CEO prior to the final decision to ensure compliance with the Recruitment Selection and Appointment Standard;
- A policy is in place to ensure there are current performance management processes in place for all employees.

Compliance Issues

No breach claims were lodged during the period under review.

Code of Conduct

The Code of Conduct includes a core value statement that identifies and defines the key values of justice, equity, efficiency and effectiveness.

The Code of Conduct also addresses a range of issues including dealing with clients, harassment and discrimination, conflict of interest, fraud, intellectual property, confidentiality, public comment by staff, and grievances and allegations against officers. It has a particular emphasis on identifying and addressing conflicts of interest between public duty and private benefits. It also refers to key policies relating to handling of grievances and allegations against staff and internal review of operational decisions.

Based on the standards included in the Public Sector Code of Ethics, the office Code of Conduct is an integral part of the standards of behaviour adhered to by employees. It is available to all staff and is part of the induction of all new staff.

Compliance Issues

There has been no evidence of non-compliance with the office's Code of Conduct.



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accounts, financial statements, controls and key performance indicators of the Building and Construction Industry Training Board.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. This document is available on the OAG website under "How We Audit".


An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Building and Construction Industry Training Board
Financial Statements and Key Performance Indicators for the year ended 30 June 2010

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Building and Construction Industry Training Board at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2010.


COLIN MURPHY
AUDITOR GENERAL
25 August 2010

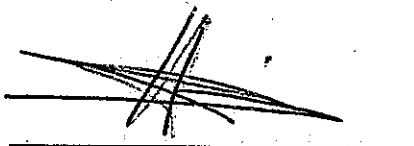
CERTIFICATION OF PERFORMANCE INDICATORS

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

CERTIFICATION OF PERFORMANCE INDICATORS for the year ended 30 June 2010

CERTIFICATION

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Board's performance and fairly represent the performance of the Building and Construction Industry Training Board for the financial year ended 30 June 2010



Ian C Hill
Chairman



Sue Hartree
BCIT Board Member

Dated 23 Day of Aug 2010



KEY PERFORMANCE INDICATORS RESULTS FOR 2009/10

Mission

"The demands of the building and construction industry for skilled workers are supported"

The key outcomes of the Construction Training Fund in supporting the skilled workforce demands of the building and construction industry, contribute to the Government goals of:

- *Building strategic infrastructure that creates jobs and underpins economic development.*
- *Delivery of efficient and effective services*
- *Achievement of results*
- *Greater focus on service delivery in regions*
- *Economic activity is managed in a socially and environmentally responsible manner.*

The Western Australian building and construction industry employed 10.2% of the State's total workforce in May 2010 and contributed approximately 9% to the Gross State Product (GSP) as at June 2009.

KEY EFFECTIVENESS INDICATORS

1. *"The proportion of employers and workers surveyed who are satisfied with the quality of training supported by the BCITF¹."*

Effectiveness Indicator 1.

Name	Source	Number Surveyed	Number Responses	Satisfied Responses	Satisfaction Target	Actual 2009-10	2008-09	2007-8
Employers satisfaction levels	Satisfaction survey of Host and DI employers	1003	260	154	70%	59%	62%	67%
Building Worker satisfaction	Course feedback	16,279	1,052	958	80%	91%	89%	82%

Employer satisfaction results have been derived from surveys of employers and primarily related to satisfaction of delivery of apprentice's off-the-job technical training. Approximately 80% of this training is delivered by public training providers (TAFE). A mailed survey was sent to 1003 Employers of second, third and fourth year apprentices hired directly (Direct Indenture) and Employers who hire through a Group Training Scheme (Host Employers). A total of 260 responses were received which represents a 26% response rate. Satisfaction is calculated from a scale of 1-10, where 1 is very dissatisfied, and 10 is very satisfied, and is derived from the question : "Overall, I am happy with the training my apprentice is receiving"; responses 7-10 are included in the result. Based on the sample of 260 responses, the percentage of overall satisfaction was 59% with a confidence interval of 2.26% at a level of confidence of 99%.

The indicator relating to worker satisfaction is a measure of the level of satisfaction with supplementary skills training, and occupational safety and health training, which

¹ Now known as the Construction Training Fund



was subsidised by the Construction Training Fund over the last 12 months. Satisfaction levels for worker training have again exceeded the target; however, employer satisfaction levels relating to apprentice training have reduced.

Worker satisfaction levels have been determined by surveying students undertaking short training courses delivered by Registered Training Organisations who deliver courses subsidised by the Construction Training Fund. The surveys have been undertaken by the RTOs to identify their individual client satisfaction levels. Results were collated to derive a response to the question "Overall I was satisfied with the quality of training" in a scale of 1-5, where 5 is very satisfied, and 1 is very dissatisfied; the satisfaction score is therefore a combination of satisfied and very satisfied (4 and 5). Based on a census sample across 9 training providers with 1052 responses, the percentage of overall satisfaction was 91% with a confidence interval of 2.21% at a 99% level of confidence

In addition to the responses received from the direct survey of employers and workers to determine satisfaction levels for training supported by the Construction Training Fund, the Fund relies on other feedback mechanisms. These include Industry Stakeholder Advisory Committees, which provide views on training systems and outcomes in the Industry. The Construction Training Fund also makes regular contact with registered training organisations and industry employer/employee associations to seek input to the level of satisfaction with the level and quality of training for the industry.

This information is further supplemented by personal contact with employers and apprentices by Construction Training Fund officers, including two field officers visiting employers on site. The information gathered is used to assess the validity of formal responses received from satisfaction surveys.

Qualitative feedback from employers of apprentices indicates a level of discontent with aspects of the training such as general concern about the relationship between public training provider training and on-the-job training, lack of flexibility and a deficiency in responsiveness to employer need. Additionally, many employers cite the reduction in the term of the indenture across a number of trades as a problem. Subsequently many employers do not see the return in their investment, and as a result are reluctant to employ an apprentice.

2. *"The number of apprentices employed in the building and construction industry as a percentage of the trade's workforce in the industry."*

Effectiveness Indicator 2

Number	Source	Target	2009-10	2008-09	2007-08
Apprentices in training (includes Electrical Mechanics)	WA DT& WD ²		7770	8,067	8,784
Tradesmen in industry (including Electrical Mechanics)	ABS ³		59,000	65,000	62,000
Training Rate	Derived	15%	13.2%	12%	14%

² Department of Training and Workforce Development Datacube for May 2010

³ ABS Datacube E09_aug96 - Employed Persons by Sex, Industry, Occupation, State, May 2010 <http://www.abs.gov.au/AUSSTATS/abs>



National research has confirmed that Industry needs to train at a training rate of 15% which is the number of active apprentices as a percentage of employed tradespeople, in order to replace tradespeople leaving the industry through normal circumstances such as retirement. The uncertain economic climate has seen employers reluctant to take on new apprentices which has led to a decline in the numbers of apprentices in training.

The Federal Government Apprentice Incentive initiative known as "Apprentice Kickstart" and an increase in subsidy support by the Construction training Fund during the year had a positive impact and apprentice commencements increased in the first five months of the current year, but the increase was not sufficient to address the overall reduction experienced throughout the Global Financial Crisis.

3. *"The number of workers in the building and construction industry supported to undertake skills training as a percentage of the total workforce in the industry"*

Effectiveness Indicator 3

Name	Source	Target	2009-10	2008-09	2007-08
Workers in industry trained with Construction Training Fund Support	CTF		27,826	32,763	38,666
Numbers of Workers in Industry	ABS ⁴		122,000	122,080	123,600
Training Rate		30%	22.8%	27%	31.3%

The Construction Training Fund has established a target training rate of 30% of the Industry workforce to receive subsidy support.

The average cost of training in public and private sector organisations is approximately 1% of salary expenditure. It is not feasible to identify wage costs for this industry and as a result, the Fund has established 30% of the actual workforce as a relevant training target taking into account the need to train new entrants into the industry and up-skill the existing workforce.

This target was established during an unprecedented period of economic growth in Western Australia when the industry was recruiting new employees at high levels. The reduction in training during 2009/10 reflects the fact that the industry stopped recruiting and managed the economic recession by moving many employees to part-time employment. As a result, induction and entry level training reduced significantly. Industry and economic analysts are predicting varying patterns of growth in industry employment for future years. In these circumstances, it is considered that a 30% training rate target is unrealistic and will be reduced to 20% for 2010/11.

2007-08 was an extraordinary year as it followed a legislated requirement for any worker on a building site to complete an occupational safety and health (OS&H) course, known as the "Blue Card" and this led to a "spike" in training activity from 2006 while all workers completed the mandatory training. The OSH training, known as Construction Induction Training is now a unit of competence from the relevant industry training package, and completers are awarded a "Statement of Attainment"

⁴ ABS E09_aug96 - Employed Persons Industry, State, <http://www.abs.gov.au>, May 2010



which does not expire. This removes the need to renew OSH training every 3 years, as has been the case in the past. This has lead to a drop in overall training numbers.



Key Efficiency Indicators

1. *"Apprentice and trainee support administration cost as a percentage of the total value of apprentice and trainee grants"*

2009/10	2008/09	2007/08	2006/07
6.7%	6.3%	7.2%	6.3%

The 2009/10 ratio is higher than 2008/09 due to additional costs associated with the employment of a second Training Support Officer, the reclassification of the Director of Communications position and one off costs associated with the move to new premises in Osborne Park. The higher rate in 2007/08 was due to additional salaries expenses resulting from staff overlaps as a result of long service leave and retirements, and additional legal fees.

2. *"Supplementary skills training administration cost as a percentage of the total value of supplementary skills grants"*

2009/10	2008/09	2007/08	2006/07
8.9%	8.3%	9.0%	5.9%

Total administration costs as a percentage of total supplementary skill grants for 2009/10 falls well within the targeted 10% of program expenditure.

The 2009/10 ratio is higher than the 2008/09 ratio, due to a reduction in supplementary skills training support overall caused by the economic downturn. During the period administration costs increased slightly as a result of additional costs associated with the reclassification of the Director of Communications position and one off costs associated with the move to new premises in Osborne Park.

The ratio of 8.9% is remains in line with previous years. It should be noted that the 2006/07 result was inflated by the implementation of a new OS & H Safety Induction training program which involved subsidies to over 70% of workers.



STATEMENT OF CERTIFICATION

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Financial statements
for the year ended 30 June 2010

STATEMENT OF CERTIFICATION

The accompanying financial statements of the Building and Construction Industry Training Board have been prepared in compliance with the provisions of the Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2010 and the financial position as at 30 June 2010.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Ian C Hill
Chairman
For the BCIT Board

23/08/10

Date



Mark Lukan
Chief Financial Officer

23/08/10

Date



Sue Hartree
Board Member
For the BCIT Board

23/08/10

Date



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD (BCITB)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
INCOME			
Revenue			
Levy receipts	3	30,093	21,442
Interest revenue	4	745	760
Other revenue	5	537	166
TOTAL INCOME		<u>31,375</u>	<u>22,368</u>
EXPENSES			
Employee benefits expense	6	1,287	1,000
Supplies and services	7	475	391
Depreciation expense	8	110	16
Accommodation expenses	9	205	114
Grants and subsidies - programs recurrent	10	911	902
Grants and subsidies - training expenditure recurrent	10	23,184	21,731
Other expenses	11	33	31
Revenue collection costs	12	178	151
TOTAL EXPENSES		<u>26,383</u>	<u>24,336</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>4,992</u>	<u>(1,968)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
ASSETS			
Current Assets			
Cash and cash equivalents	13	15,661	11,185
Receivables	14	675	529
Other current assets	15	1,993	2,119
Total Current Assets		<u>18,329</u>	<u>13,833</u>
Non-Current Assets			
Property, plant and equipment	16	325	16
Total Non-Current Assets		<u>325</u>	<u>16</u>
TOTAL ASSETS		<u>18,654</u>	<u>13,849</u>
LIABILITIES			
Current Liabilities			
Payables	18	21	20
Provisions	19	182	163
Other current liabilities	20	1,614	1,876
Total Current Liabilities		<u>1,817</u>	<u>2,059</u>
Non-Current Liabilities			
Provisions	19	113	58
Total Non-Current Liabilities		<u>113</u>	<u>58</u>
TOTAL LIABILITIES		<u>1,930</u>	<u>2,117</u>
NET ASSETS		<u>16,724</u>	<u>11,732</u>
EQUITY			
Retained earnings	21	16,724	11,732
TOTAL EQUITY		<u>16,724</u>	<u>11,732</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2010

	Note	Contributed equity	Reserves (\$'000)	Accumulated surplus/(deficit) (\$'000)	Total Equity (\$'000)
Balance as at 1 July 2008	34	-	-	13,700	13,700
Changes in accounting policy or correction of prior period earnings		-	-	-	-
Restated balance at 1 July 2008		-	-	13,700	13,700
Total comprehensive income for the year		-	-	(1,968)	(1,968)
Balance at 30 June 2009		-	-	11,732	11,732
Balance as at 1 July 2009		-	-	11,732	11,732
Total comprehensive income for the year		-	-	4,992	4,992
Balance at 30 June 2010		-	-	16,724	16,724

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF CASH FLOWS
For the year ended 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Levies from project owners		30,039	21,106
Interest received		710	683
Other receipts		536	166
GST receipts from taxation authority		2,107	2,112
		<u>33,392</u>	<u>24,067</u>
Payments			
Employee benefits		(1,198)	(945)
Supplies and services		(512)	(397)
Accommodation		(205)	(130)
Grants and subsidies - programs recurrent		(910)	(862)
Grants and subsidies - training expenditure recurrent		(23,457)	(21,583)
GST payments on purchases		(2,214)	(2,061)
		<u>(28,496)</u>	<u>(25,978)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	22b	<u>4,896</u>	<u>(1,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(420)	(22)
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(420)</u>	<u>(22)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,476	(1,933)
Cash and cash equivalent at the beginning of the period		11,185	13,118
CASH AND CASH EQUIVALENT ASSETS AT THE END OF THE PERIOD	22a	<u>15,661</u>	<u>11,185</u>

The Cash Flow Statement should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Index of Notes to the Financial Statements

For the year ended 30 June 2010

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1. Australian Accounting Standards

General

The Building and Construction Industry Training Board's (Board) financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term "Australian Accounting Standards" refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Board has adopted any applicable, new and revised Australian Accounting Standards from their operative date.

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Board for the annual reporting period ended 30 June 2010.

2. Summary of significant accounting policies

(a.) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b.) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.



The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Board's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 2(t) "Judgements made by management in applying accounting policies".

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed at note 2(u) "Key sources of estimation uncertainty".

(c.) Reporting Entity

The reporting entity comprises the Building and Construction Industry Training Board, there being no related bodies.

(d.) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Levy income

The principal revenue is levy collection based on the value of that construction work in accordance with Section 21 of the Building and Construction Industry Training Fund and Levy Collection Act of 1990. Revenue is recognised on receipt from project owners and in respect of collection agents, when the levy is received by an agent. An estimate of funds held by agents at the end of the reporting period is recognised as income for the period. Levy receipts are shown net of refunds: 2010 \$950,750 (2009: \$873,892).

Interest

Revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.



(e.) Income Tax

The Board has been exempted from income tax under the provisions of section 23(d) of the Income Tax Assessment Act.

(f.) Plant and Equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for all plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office equipment	3 years
Office furnishings	5 years

(g.) Impairment of Assets

Plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.



The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in the useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

(h.) Leases

The Board has entered into several operating lease arrangements for the rent of the office building and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits to be derived from the leased properties.

(i.) Financial Instruments

In addition to cash, the Board has three categories of financial instrument:

- Loans and receivables
- Held-to-maturity investments (term deposits); and
- Financial liabilities measured at amortised cost.

Financial Instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Term deposits

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j.) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k.) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Board considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(l.) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 28 'Financial Instruments' and note 14 'Receivables'.

(m.) Investments and Other Financial Assets

The Board classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables and held to maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of the reporting period. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity when management has a positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Loans and receivables and held-to-maturity investments, such as commercial bills are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in the Statement of Comprehensive Income when the investments are derecognised or impaired, as well as through the amortisation process.

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.



(n.) Payables

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 28 'Financial Instruments' and note 18 'Payables'.

(o.) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of the reporting period. See note 19 'Provisions'.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



(ii) Provisions – Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of "Other expenses" and not included in the Board's "Employee benefits expense". The related liability is included in "Employment on-costs provision". See note 11 'Other expenses' and note 19 'Provisions'.

(p.) Superannuation Expense

The Board complies with Commonwealth legislation by making contributions according to individual requirements. Contributions are paid to selected superannuation funds complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. See note 2(n) (i) "Provisions-Employee Benefits"

(q.) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(r.) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(s.) Disclosure of changes in accounting policy and estimates.

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standard effective for annual reporting periods beginning on or after 1 July 2009 that impact on the Board.

AASB 101 "Presentation of Financial Statements" (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity.



There is no financial impact resulting from the application of this revised Standard.

Future Impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Board has not applied the Australian Accounting Standards and Australian Accounting Interpretations that have been issued, and may impact the Board but are not yet effective. Where applicable, the Board plans to apply these Standards and Interpretations from their application date.

(t.) Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Board evaluates these judgements regularly.

(u.) Key sources of estimation uncertainty

The Board makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

In calculating the Board's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
3 Levy Receipts		
Levy receipts	<u>30,093</u>	<u>21,442</u>
Levy receipts by sector		
Housing	14,144	11,700
Commercial	10,231	7,021
Engineering construction	<u>5,718</u>	<u>2,721</u>
	<u>30,093</u>	<u>21,442</u>
4 Interest Revenue		
Interest revenue	<u>745</u>	<u>760</u>
Earned on current bank accounts and investments by way of term deposits	<u>745</u>	<u>760</u>
5 Other Revenue		
DET - Skills Development	352	-
Training 457 Visa	182	-
Sundry/Other Income	<u>3</u>	<u>166</u>
	<u>537</u>	<u>166</u>
6 Employee Benefits Expense		
Wages & Salaries (a)	1,019	787
Superannuation- superannuation guarantee levy	98	73
Long service leave (b)	1	21
Annual leave (b)	74	31
Other employee costs	<u>95</u>	<u>88</u>
	<u>1,287</u>	<u>1,000</u>
(a) Includes the value of fringe benefit to the employee plus the fringe benefit tax component.		
(b) Includes a superannuation contribution component		
Employment on-costs such as worker's compensation insurance are included at note 11 'Other Expenses'. The employment on-cost liability is included at note 19 'Provisions'.		
7 Supplies and Services		
Bank charges	8	7
Communications	61	42
Consumables	67	52
Accounting & audit fees	11	21
Board costs	126	131
Insurance	16	7
Legal Fees	9	8
Other supplies & services	134	80
Conferences and Seminars	13	5
Travel	<u>30</u>	<u>38</u>
	<u>475</u>	<u>391</u>
8 Depreciation Expense		
Office equipment	<u>110</u>	<u>16</u>



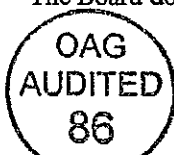
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
9 Accommodation Expense		
Lease rentals	185	91
Outgoings	12	17
Repairs & maintenance	1	2
Cleaning	7	4
	<u>205</u>	<u>114</u>
10 Grants & Subsidies		
<u>Programs recurrent</u>		
Career promotion	862	813
Industry initiatives	13	64
RPL	21	-
Research & development	10	5
Apprentices management	5	20
	<u>911</u>	<u>902</u>
<u>Training expenditure recurrent</u>		
by sector-		
Housing	13,495	12,781
Commercial	8,558	7,948
Engineering construction	1,131	1,002
	<u>23,184</u>	<u>21,731</u>
11 Other Expenses		
Employment on-costs (a) (see note 6 'Employee benefits')	2	1
Other (b)	31	30
	<u>33</u>	<u>31</u>
(a) Includes worker's compensation insurance, and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 19 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
(b) Audit Fees, see note 30 'Remuneration of Auditor'.		
12 Revenue Collection Costs		
Levy collection fees	<u>178</u>	<u>151</u>
13 Cash and Cash Equivalents		
Bank accounts	148	135
Funds on deposit	80	40
Other financial assets- term deposits	15,433	11,010
	<u>15,661</u>	<u>11,185</u>
14 Receivables		
Receivables	27	27
GST receivable	474	362
Interest receivable	174	140
	<u>675</u>	<u>529</u>

The Board does not hold any collateral as security or other credit enhancements relating to receivables.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
15 Other Assets		
Accrued levy income	1,983	2,109
Prepayments	10	10
	<u>1,993</u>	<u>2,119</u>
16 Plant & Equipment		
Office equipment at cost	463	74
Accumulated depreciation	(138)	(58)
Accumulated Impairment Loss	-	-
	<u>325</u>	<u>16</u>

Reconciliations of the carrying amounts of office equipment at the beginning and the end of the reporting period are set out below:

	Office equipment		Total Non Current Assets	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Carrying amount at start of year	16	27	16	27
Additions	420	22	420	22
Disposals	(31)	(108)	(31)	(108)
Depreciation	(111)	(16)	(111)	(16)
Impairment losses	-	-	-	-
Depreciation writeback	31	91	31	91
Carrying amount at end of year	325	16	325	16

17 Impairment of Assets

There were no indications of impairment to plant & equipment assets at 30 June 2010.

The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

18 Payables

Trade payables	<u>21</u>	<u>20</u>
----------------	-----------	-----------

See also note 2 (m) "Payables" and note 28 Financial Instruments.

19 Provisions

Current

Employee benefits provision:

Annual leave (a)	101	101
Long service leave (b)	81	62
	<u>182</u>	<u>163</u>

Other provisions:

Employment on-costs (c)	-	-
	<u>182</u>	<u>163</u>

Non current

Employee benefits provision:

Long service leave (b)	113	58
	<u>113</u>	<u>58</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
19 Provisions (Cont...)		
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	58	52
More than 12 months after balance sheet date	53	49
	<u>111</u>	<u>101</u>
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	37	28
More than 12 months after balance sheet date	44	34
	<u>81</u>	<u>62</u>
(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 11 'Other expenses'.		
20 Other Liabilities		
Accrued training expenses	1,349	1,578
Accrued salaries	37	24
Accrued expenses	228	274
	<u>1,614</u>	<u>1,876</u>
21 Equity		
Accumulated Surplus/(Deficit)		
Balance at the start of year	11,732	13,700
Result for the period	4,992	(1,968)
Balance at the end of year	<u>16,724</u>	<u>11,732</u>
22 Notes to the Statement of Cash Flows		
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents		
Bank accounts	148	135
Funds on deposit	80	40
A Other financial assets- term deposits	15,433	11,010
	<u>15,661</u>	<u>11,185</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
Notes to the Financial Statements
For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
22 Notes to the Statement of Cash Flows (Cont...)		
<u>Reconciliation of profit/ (loss) to net cash flows provided by/(used in) operating activities:</u>		
Profit/(Loss)	4,992	(1,968)
Non cash items:		
Depreciation expense	110	16
Assets expensed	-	17
(Increase)/ decrease in assets:		
Current receivables(c)	(146)	(69)
Other current assets	126	(187)
Increase/ (decrease) in liabilities		
Current payables	1	7
Current provisions	19	31
Other current liabilities	(261)	221
Non-current provisions	55	21
Net GST receipts/(payments)(a)	(107)	52
Change in GST receivables/payables(b)	107	(52)
B Net cash provided by /(used in) operating activities	<u>4,896</u>	<u>(1,911)</u>

(a) This is the net GST paid/received, ie. Cash transactions

(b) This reverses out the GST in receivables and payables

(c) Note that the Australian Taxation Office (ATO) receivables/payables in respect of GST and the receivables/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

23 Resources Provided Free of Charge

During the year there were no resources provided to other agencies free of charge for functions outside the normal operations of the Board.

24 Commitments

Lease commitments

Commitments in relation to leases contracted at the end of the reporting period but not recognised in the financial statements as liabilities, are payable as follows:

Within 1 year	166	181
Later than 1 year and not later than 5 years	439	554
Later than 5 years	-	-
	<u>605</u>	<u>735</u>
Representing:		
Non-cancellable Operating Leases	<u>605</u>	<u>735</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

The property lease for the Homebase Centre expired on 30th June 2009. The Board negotiated an extension until 30th October 2009.

The Board has entered into a non-cancellable five year lease with the option of a five year term extension for premises in Hasler Road Osborne Park. Rent is payable monthly in advance. Contingent rent provisions within the lease agreement require that the current lease payments should be reviewed on 30th June each year and are subject to increase at a rate equivalent to prevailing market rates.

The Board has entered into non-cancellable operating leases for four motor vehicles with State Fleet. Board policy is to replace vehicles on the expiry of the lease, the latest of which matures in October 2012.

25 Contingent Liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Levy refunds

During the 2009/10 year \$30 million dollars was collected as levies. Under the Act, these are payable before the commencement of construction and are refundable wholly or in part if the construction is not completed. The proportion representing incomplete work is not known and according to past experience the amount of the refunds in proportion to the total amount collected is relatively insignificant and in the year ended 30th June 2010 amounted to \$951k being 3.17 % of the amount received. No other contingent liabilities have since come to our knowledge.

Litigation in progress

There are no known legal claims pending by third parties against the BCITB other than those matters referred to our lawyers or insurers in the normal course of business for which we consider there are no significant liabilities.

26 Events Occurring After Balance Date

There have been no significant events occurring since the reporting date.

27 Explanatory Statement

This statement provides details of any significant variations between the estimates and actual results for 2009/10 income and expenses, and between the actual results for 2008/09 and 2009/10. Significant variations are considered to be those greater than 10% of budget and \$10,000.

Significant variances between estimate and actual results for the financial year

The budget figures contained in this note to the financial statements were drawn from the Operational Plan endorsed by the Minister for Education and Training during the course of the year to 30 June 2009.

	2010 Estimate \$'000	2010 Actual \$'000	Variation \$'000
Income			
Levy Receipts	21,675	30,093	8,418
Interest	500	745	245
Expenditure			
Employee Benefits Expense	1,212	1,287	(75)
Training Expenditure	21,550	24,095	(2,545)



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

Levy receipts

Levy collections were 38.6% higher than budget for the year due to stronger than anticipated economic growth and unanticipated Government stimulus spending. The growth was felt across all sectors.

Interest

Interest income from Board reserves were 48.8% higher than budget expectations as a result of higher than expected revenue collections and significant increases in interest rates during the year.

Employee costs

Employee costs were \$99,000 or 8.2% higher than budget, and can be directly attributed to the taking on of additional staff during the year to meet operational requirements.

Training expenditure

Training expenditure was \$2.5m or 5.4% higher than budget expectations. This variation can be directly attributed to additional funding measures introduced during the year.

Significant Variances between actual and prior year actual

	2010	2009	Variation
	\$'000	\$'000	\$'000
Income			
Levy Receipts	30,093	21,442	8,651
Interest	745	760	(15)
Expenditure			
Employee benefits expense	1,287	1,000	(287)
Supplies & services	475	391	(84)
Collection fees	178	151	(27)
Training expenditure	23,184	21,731	(1,453)

Levy receipts

Levy receipts were 40.3% higher than 2008/09 due to stronger than anticipated economic growth and unanticipated Government stimulus spending.

Interest

Variance is not considered significant

Employee expenses

Employee expenses were \$311,000 higher than 2008/09 due to the taking on of additional staff in order to meet operational requirements and the reclassification of a number of positions during the course of the year.

Collection Fees

Collection Fees were 15.2% higher than 2008/09, directly related to the increase in levy revenue.

Training expenditure

Total expenditure of \$22.7 million was \$1.0 million or 4.5% higher than 2008/09. This can be directly attributed to additional funding measures introduced in the second half of the year

The unexpected increase in levy revenue has resulted in a cash surplus for the year of \$5.1m.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

28 Financial Instruments

Financial Instrument Disclosures

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Board are cash and cash equivalents, bank deposits, term deposits and non interest bearing receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below.

Credit risk

The Board trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Board is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

The Board does not trade in foreign currency and is not materially exposed to other price risks. The Board is not exposed to any significant interest rate risk because cash and cash equivalents have short term maturities of less than three months and there are no borrowings.

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:.

	2010	2009
	\$000's	\$000's
Financial Assets		
Cash and cash equivalents	15,661	11,185
Receivables	675	529
Other current assets	1,993	2,119
Financial Liabilities		
Financial liabilities measured at amortised cost (a)	1,635	1,897

(a) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable)



28 Financial Instruments (Cont)

(c) Financial instrument disclosures

Credit Risk, Liquidity Risk and Interest Rate Exposure

The following table discloses the Boards maximum exposure to credit risk, interest rate exposure and the ageing analysis of financial assets. The Boards maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Board.

The Board does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

The Board does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets

	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure		Non interest bearing	Past due but not impaired					Impaired financial assets
			Fixed interest rate	Variable interest rate		Up to 3 months	3-12 months	1 - 2 years	2-5 years	>5 years	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets											
2010											
Cash and cash equivalents	4.3	15,661	-	15,661	-	-	-	-	-	-	-
Receivables	4.3	675	-	-	675	-	-	-	-	-	-
Other financial assets	4.3	1,951	-	-	1,951	-	-	-	-	-	-
		18,287	-	15,661	2,626	-	-	-	-	-	-
2009											
Cash and cash equivalents	5.8	11,185	-	11,185	-	-	-	-	-	-	-
Receivables	5.8	529	-	-	529	-	-	-	-	-	-
Other financial assets	5.8	2,119	-	-	2,119	-	-	-	-	-	-
		13,833	-	11,185	2,648	-	-	-	-	-	-

28 Financial Instruments (Cont)
(c) Financial instrument disclosures

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undisclosed amounts at the end of the reporting period. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposures and maturity analysis of financial liabilities

	Interest rate exposure					Total Nominal Amount	Maturity Date					
	Weighted average effective interest rate %	Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non interest bearing \$000		Adjustment for discounting	Up to 3 months \$000	3-12 months \$000	1 - 2 years \$000	2-5 years \$000	>5 years \$000
Financial Liabilities												
2010												
Payables		21	-	-	21	-	-	-	-	-	-	-
Other financial liabilities		1,345	-	-	1,345	-	-	-	-	-	-	-
		1,366	-	-	1,366	-	-	-	-	-	-	-
2009												
Payables		20	-	-	20	-	-	-	-	-	-	-
Other financial liabilities		1,876	-	-	1,876	-	-	-	-	-	-	-
		1,896	-	-	1,896	-	-	-	-	-	-	-



28 Financial Instruments (Cont)
(c) Financial instrument disclosures

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Boards financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2010	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
Financial Assets					
Cash and cash equivalent	15,661	(157)	(157)	157	157
Receivables	675	-	-	-	-
Other financial assets	1,951	-	-	-	-
	18,287	(157)	(157)	157	157

Financial Liabilities					
Payables	21	-	-	-	-
Other financial liabilities	1,345	-	-	-	-
Total Increase/(Decrease)	1,366	-	-	-	-

2009	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
Financial Assets					
Cash and cash equivalent	11,185	(112)	(112)	112	112
Receivables	529	-	-	-	-
Other financial assets	2,119	-	-	-	-
	13,833	(112)	(112)	112	112

Financial Liabilities					
Payables	20	-	-	-	-
Other financial liabilities	1,876	-	-	-	-
Total Increase/(Decrease)	1,896	-	-	-	-



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD**Notes to the Financial Statements****For the year ended 30 June 2010****28 Financial Instruments (Cont)**

All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

29 Remuneration of Members of the Accountable Authority and Senior OfficersRemuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose fees, salaries superannuation and other benefits for the financial year, fall within the following bands are:

	2010	2009
\$10,000 - \$20,000	6	6
\$20,001 - \$30,000	-	-
\$30,001 - \$40,000	1	1

The total remuneration of Members of the Accountable Authority is

	<u>116</u>	<u>125</u>
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The total remuneration included here represents the superannuation expense incurred by the Board in respect of members of the Accountable Authority.

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries and other benefits for the financial year, fall within the following bands are:

	2010	2009
\$110,001 - \$120,000	1	-
\$120,001 - \$130,000	-	-
\$130,001 - \$140,000	-	-
\$140,001 - \$150,000	-	-
\$150,001 - \$160,000	1	1
\$160,001 - \$170,000	1	-

The total remuneration of Senior Officers is:

	<u>432</u>	<u>153</u>
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The total remuneration included here represents the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Accountable Authority. The increase from 2009 is due to the reclassification of two positions to Director status during the year.

30 Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2010	2009
Auditing the accounts, financial statements and performance indicators.	<u>31</u>	<u>30</u>

Expenses are included in 'Other Expenses' at note 11

31 Related Bodies

There are no bodies associated with the BCITB which would constitute that of a related body according to the disclosure requirements of the FMA.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

32 Affiliated Bodies

There are no bodies associated with the BCITB which would constitute that of an affiliated body according to the disclosure requirements of the FMA.

33 Supplementary Financial Information

During the financial year, there were no write-offs of public property approved by the Minister, losses of public moneys or property through theft or default or gifts of public property provided by the Board.

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Board on behalf of the community. The asset revaluation surplus represents that portion of

34 equity resulting from the revaluation of non-current Assets.

Accumulated surplus/(deficit)

	2010	2009
	\$'000	\$'000
Balance at start of year	11,732	13,700
Results for the period	4,992	(1,968)
Income and expenditure recognised directly in equity	-	-
Dividends paid	-	-
Balance at end of year	16,724	11,732





Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accounts, financial statements, controls and key performance indicators of the Building and Construction Industry Training Board.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. This document is available on the OAG website under "How We Audit".


An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Building and Construction Industry Training Board
Financial Statements and Key Performance Indicators for the year ended 30 June 2010

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Building and Construction Industry Training Board at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2010.


COLIN MURPHY
AUDITOR GENERAL
25 August 2010

CERTIFICATION OF PERFORMANCE INDICATORS

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

CERTIFICATION OF PERFORMANCE INDICATORS for the year ended 30 June 2010

CERTIFICATION

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Board's performance and fairly represent the performance of the Building and Construction Industry Training Board for the financial year ended 30 June 2010



Ian C Hill
Chairman



Sue Hartree
BCIT Board Member

Dated 23 Day of Aug 2010



KEY PERFORMANCE INDICATORS RESULTS FOR 2009/10

Mission

"The demands of the building and construction industry for skilled workers are supported"

The key outcomes of the Construction Training Fund in supporting the skilled workforce demands of the building and construction industry, contribute to the Government goals of:

- *Building strategic infrastructure that creates jobs and underpins economic development.*
- *Delivery of efficient and effective services*
- *Achievement of results*
- *Greater focus on service delivery in regions*
- *Economic activity is managed in a socially and environmentally responsible manner.*

The Western Australian building and construction industry employed 10.2% of the State's total workforce in May 2010 and contributed approximately 9% to the Gross State Product (GSP) as at June 2009.

KEY EFFECTIVENESS INDICATORS

1. *"The proportion of employers and workers surveyed who are satisfied with the quality of training supported by the BCITF¹."*

Effectiveness Indicator 1.

Name	Source	Number Surveyed	Number Responses	Satisfied Responses	Satisfaction Target	Actual 2009-10	2008-09	2007-8
Employers satisfaction levels	Satisfaction survey of Host and DI employers	1003	260	154	70%	59%	62%	67%
Building Worker satisfaction	Course feedback	16,279	1,052	958	80%	91%	89%	82%

Employer satisfaction results have been derived from surveys of employers and primarily related to satisfaction of delivery of apprentice's off-the-job technical training. Approximately 80% of this training is delivered by public training providers (TAFE). A mailed survey was sent to 1003 Employers of second, third and fourth year apprentices hired directly (Direct Indenture) and Employers who hire through a Group Training Scheme (Host Employers). A total of 260 responses were received which represents a 26% response rate. Satisfaction is calculated from a scale of 1-10, where 1 is very dissatisfied, and 10 is very satisfied, and is derived from the question : "Overall, I am happy with the training my apprentice is receiving"; responses 7-10 are included in the result. Based on the sample of 260 responses, the percentage of overall satisfaction was 59% with a confidence interval of 2.26% at a level of confidence of 99%.

The indicator relating to worker satisfaction is a measure of the level of satisfaction with supplementary skills training, and occupational safety and health training, which

¹ Now known as the Construction Training Fund



was subsidised by the Construction Training Fund over the last 12 months. Satisfaction levels for worker training have again exceeded the target; however, employer satisfaction levels relating to apprentice training have reduced.

Worker satisfaction levels have been determined by surveying students undertaking short training courses delivered by Registered Training Organisations who deliver courses subsidised by the Construction Training Fund. The surveys have been undertaken by the RTOs to identify their individual client satisfaction levels. Results were collated to derive a response to the question "Overall I was satisfied with the quality of training" in a scale of 1-5, where 5 is very satisfied, and 1 is very dissatisfied; the satisfaction score is therefore a combination of satisfied and very satisfied (4 and 5). Based on a census sample across 9 training providers with 1052 responses, the percentage of overall satisfaction was 91% with a confidence interval of 2.21% at a 99% level of confidence

In addition to the responses received from the direct survey of employers and workers to determine satisfaction levels for training supported by the Construction Training Fund, the Fund relies on other feedback mechanisms. These include Industry Stakeholder Advisory Committees, which provide views on training systems and outcomes in the Industry. The Construction Training Fund also makes regular contact with registered training organisations and industry employer/employee associations to seek input to the level of satisfaction with the level and quality of training for the industry.

This information is further supplemented by personal contact with employers and apprentices by Construction Training Fund officers, including two field officers visiting employers on site. The information gathered is used to assess the validity of formal responses received from satisfaction surveys.

Qualitative feedback from employers of apprentices indicates a level of discontent with aspects of the training such as general concern about the relationship between public training provider training and on-the-job training, lack of flexibility and a deficiency in responsiveness to employer need. Additionally, many employers cite the reduction in the term of the indenture across a number of trades as a problem. Subsequently many employers do not see the return in their investment, and as a result are reluctant to employ an apprentice.

2. *"The number of apprentices employed in the building and construction industry as a percentage of the trade's workforce in the industry."*

Effectiveness Indicator 2

Number	Source	Target	2009-10	2008-09	2007-08
Apprentices in training (includes Electrical Mechanics)	WA DT&WD ²		7770	8,067	8,784
Tradesmen in industry (including Electrical Mechanics)	ABS ³		59,000	65,000	62,000
Training Rate	Derived	15%	13.2%	12%	14%

² Department of Training and Workforce Development Datacube for May 2010

³ ABS Datacube E09_aug96 - Employed Persons by Sex, Industry, Occupation, State, May 2010 <http://www.abs.gov.au/AUSSTATS/abs>



National research has confirmed that Industry needs to train at a training rate of 15% which is the number of active apprentices as a percentage of employed tradespeople, in order to replace tradespeople leaving the industry through normal circumstances such as retirement. The uncertain economic climate has seen employers reluctant to take on new apprentices which has led to a decline in the numbers of apprentices in training.

The Federal Government Apprentice Incentive initiative known as "Apprentice Kickstart" and an increase in subsidy support by the Construction training Fund during the year had a positive impact and apprentice commencements increased in the first five months of the current year, but the increase was not sufficient to address the overall reduction experienced throughout the Global Financial Crisis.

3. *"The number of workers in the building and construction industry supported to undertake skills training as a percentage of the total workforce in the industry"*

Effectiveness Indicator 3

Name	Source	Target	2009-10	2008-09	2007-08
Workers in industry trained with Construction Training Fund Support	CTF		27,826	32,763	38,666
Numbers of Workers in Industry	ABS ⁴		122,000	122,080	123,600
Training Rate		30%	22.8%	27%	31.3%

The Construction Training Fund has established a target training rate of 30% of the Industry workforce to receive subsidy support.

The average cost of training in public and private sector organisations is approximately 1% of salary expenditure. It is not feasible to identify wage costs for this industry and as a result, the Fund has established 30% of the actual workforce as a relevant training target taking into account the need to train new entrants into the industry and up-skill the existing workforce.

This target was established during an unprecedented period of economic growth in Western Australia when the industry was recruiting new employees at high levels. The reduction in training during 2009/10 reflects the fact that the industry stopped recruiting and managed the economic recession by moving many employees to part-time employment. As a result, induction and entry level training reduced significantly. Industry and economic analysts are predicting varying patterns of growth in industry employment for future years. In these circumstances, it is considered that a 30% training rate target is unrealistic and will be reduced to 20% for 2010/11.

2007-08 was an extraordinary year as it followed a legislated requirement for any worker on a building site to complete an occupational safety and health (OS&H) course, known as the "Blue Card" and this led to a "spike" in training activity from 2006 while all workers completed the mandatory training. The OSH training, known as Construction Induction Training is now a unit of competence from the relevant industry training package, and completers are awarded a "Statement of Attainment"

⁴ ABS E09_aug96 - Employed Persons Industry, State, <http://www.abs.gov.au>, May 2010



which does not expire. This removes the need to renew OSH training every 3 years, as has been the case in the past. This has lead to a drop in overall training numbers.



Key Efficiency Indicators

1. *"Apprentice and trainee support administration cost as a percentage of the total value of apprentice and trainee grants"*

2009/10	2008/09	2007/08	2006/07
6.7%	6.3%	7.2%	6.3%

The 2009/10 ratio is higher than 2008/09 due to additional costs associated with the employment of a second Training Support Officer, the reclassification of the Director of Communications position and one off costs associated with the move to new premises in Osborne Park. The higher rate in 2007/08 was due to additional salaries expenses resulting from staff overlaps as a result of long service leave and retirements, and additional legal fees.

2. *"Supplementary skills training administration cost as a percentage of the total value of supplementary skills grants"*

2009/10	2008/09	2007/08	2006/07
8.9%	8.3%	9.0%	5.9%

Total administration costs as a percentage of total supplementary skill grants for 2009/10 falls well within the targeted 10% of program expenditure.

The 2009/10 ratio is higher than the 2008/09 ratio, due to a reduction in supplementary skills training support overall caused by the economic downturn. During the period administration costs increased slightly as a result of additional costs associated with the reclassification of the Director of Communications position and one off costs associated with the move to new premises in Osborne Park.

The ratio of 8.9% is remains in line with previous years. It should be noted that the 2006/07 result was inflated by the implementation of a new OS & H Safety Induction training program which involved subsidies to over 70% of workers.



STATEMENT OF CERTIFICATION

BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Financial statements
for the year ended 30 June 2010

STATEMENT OF CERTIFICATION

The accompanying financial statements of the Building and Construction Industry Training Board have been prepared in compliance with the provisions of the Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2010 and the financial position as at 30 June 2010.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Ian C Hill
Chairman
For the BCIT Board

23/08/10

Date



Mark Lukan
Chief Financial Officer

23/08/10

Date



Sue Hartree
Board Member
For the BCIT Board

23/08/10

Date



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD (BCITB)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
INCOME			
Revenue			
Levy receipts	3	30,093	21,442
Interest revenue	4	745	760
Other revenue	5	537	166
TOTAL INCOME		<u>31,375</u>	<u>22,368</u>
EXPENSES			
Employee benefits expense	6	1,287	1,000
Supplies and services	7	475	391
Depreciation expense	8	110	16
Accommodation expenses	9	205	114
Grants and subsidies - programs recurrent	10	911	902
Grants and subsidies - training expenditure recurrent	10	23,184	21,731
Other expenses	11	33	31
Revenue collection costs	12	178	151
TOTAL EXPENSES		<u>26,383</u>	<u>24,336</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>4,992</u>	<u>(1,968)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
ASSETS			
Current Assets			
Cash and cash equivalents	13	15,661	11,185
Receivables	14	675	529
Other current assets	15	1,993	2,119
Total Current Assets		<u>18,329</u>	<u>13,833</u>
Non-Current Assets			
Property, plant and equipment	16	325	16
Total Non-Current Assets		<u>325</u>	<u>16</u>
TOTAL ASSETS		<u>18,654</u>	<u>13,849</u>
LIABILITIES			
Current Liabilities			
Payables	18	21	20
Provisions	19	182	163
Other current liabilities	20	1,614	1,876
Total Current Liabilities		<u>1,817</u>	<u>2,059</u>
Non-Current Liabilities			
Provisions	19	113	58
Total Non-Current Liabilities		<u>113</u>	<u>58</u>
TOTAL LIABILITIES		<u>1,930</u>	<u>2,117</u>
NET ASSETS		<u>16,724</u>	<u>11,732</u>
EQUITY			
Retained earnings	21	16,724	11,732
TOTAL EQUITY		<u>16,724</u>	<u>11,732</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2010

	Note	Contributed equity	Reserves (\$'000)	Accumulated surplus/(deficit) (\$'000)	Total Equity (\$'000)
Balance as at 1 July 2008	34	-	-	13,700	13,700
Changes in accounting policy or correction of prior period earnings		-	-	-	-
Restated balance at 1 July 2008		-	-	13,700	13,700
Total comprehensive income for the year		-	-	(1,968)	(1,968)
Balance at 30 June 2009		-	-	11,732	11,732
Balance as at 1 July 2009		-	-	11,732	11,732
Total comprehensive income for the year		-	-	4,992	4,992
Balance at 30 June 2010		-	-	16,724	16,724

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF CASH FLOWS
For the year ended 30 June 2010

	Note	2010 (\$'000)	2009 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Levies from project owners		30,039	21,106
Interest received		710	683
Other receipts		536	166
GST receipts from taxation authority		2,107	2,112
		<u>33,392</u>	<u>24,067</u>
Payments			
Employee benefits		(1,198)	(945)
Supplies and services		(512)	(397)
Accommodation		(205)	(130)
Grants and subsidies - programs recurrent		(910)	(862)
Grants and subsidies - training expenditure recurrent		(23,457)	(21,583)
GST payments on purchases		(2,214)	(2,061)
		<u>(28,496)</u>	<u>(25,978)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	22b	<u>4,896</u>	<u>(1,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(420)	(22)
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(420)</u>	<u>(22)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,476	(1,933)
Cash and cash equivalent at the beginning of the period		11,185	13,118
CASH AND CASH EQUIVALENT ASSETS AT THE END OF THE PERIOD	22a	<u>15,661</u>	<u>11,185</u>

The Cash Flow Statement should be read in conjunction with the accompanying notes.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD
Index of Notes to the Financial Statements
For the year ended 30 June 2010

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1. Australian Accounting Standards

General

The Building and Construction Industry Training Board's (Board) financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term "Australian Accounting Standards" refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Board has adopted any applicable, new and revised Australian Accounting Standards from their operative date.

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Board for the annual reporting period ended 30 June 2010.

2. Summary of significant accounting policies

(a.) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b.) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.



The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Board's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 2(t) "Judgements made by management in applying accounting policies".

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed at note 2(u) "Key sources of estimation uncertainty".

(c.) Reporting Entity

The reporting entity comprises the Building and Construction Industry Training Board, there being no related bodies.

(d.) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Levy income

The principal revenue is levy collection based on the value of that construction work in accordance with Section 21 of the Building and Construction Industry Training Fund and Levy Collection Act of 1990. Revenue is recognised on receipt from project owners and in respect of collection agents, when the levy is received by an agent. An estimate of funds held by agents at the end of the reporting period is recognised as income for the period. Levy receipts are shown net of refunds: 2010 \$950,750 (2009: \$873,892).

Interest

Revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.



(e.) Income Tax

The Board has been exempted from income tax under the provisions of section 23(d) of the Income Tax Assessment Act.

(f.) Plant and Equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for all plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office equipment	3 years
Office furnishings	5 years

(g.) Impairment of Assets

Plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.



The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in the useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

(h.) Leases

The Board has entered into several operating lease arrangements for the rent of the office building and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits to be derived from the leased properties.

(i.) Financial Instruments

In addition to cash, the Board has three categories of financial instrument:

- Loans and receivables
- Held-to-maturity investments (term deposits); and
- Financial liabilities measured at amortised cost.

Financial Instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Term deposits

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j.) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.



(k.) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Board considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(l.) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 28 'Financial Instruments' and note 14 'Receivables'.

(m.) Investments and Other Financial Assets

The Board classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables and held to maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of the reporting period. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity when management has a positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Loans and receivables and held-to-maturity investments, such as commercial bills are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in the Statement of Comprehensive Income when the investments are derecognised or impaired, as well as through the amortisation process.

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.



(n.) Payables

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 28 'Financial Instruments' and note 18 'Payables'.

(o.) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of the reporting period. See note 19 'Provisions'.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



(ii) Provisions – Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of "Other expenses" and not included in the Board's "Employee benefits expense". The related liability is included in "Employment on-costs provision". See note 11 'Other expenses' and note 19 'Provisions'.

(p.) Superannuation Expense

The Board complies with Commonwealth legislation by making contributions according to individual requirements. Contributions are paid to selected superannuation funds complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. See note 2(n) (i) "Provisions-Employee Benefits"

(q.) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(r.) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(s.) Disclosure of changes in accounting policy and estimates.

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standard effective for annual reporting periods beginning on or after 1 July 2009 that impact on the Board.

AASB 101 "Presentation of Financial Statements" (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity.



There is no financial impact resulting from the application of this revised Standard.

Future Impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Board has not applied the Australian Accounting Standards and Australian Accounting Interpretations that have been issued, and may impact the Board but are not yet effective. Where applicable, the Board plans to apply these Standards and Interpretations from their application date.

(t.) Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Board evaluates these judgements regularly.

(u.) Key sources of estimation uncertainty

The Board makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year.

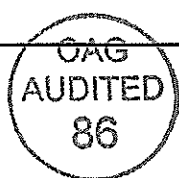
Long Service Leave

In calculating the Board's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD**Notes to the Financial Statements****For the year ended 30 June 2010**

	2010 (\$'000)	2009 (\$'000)
3 Levy Receipts		
Levy receipts	<u>30,093</u>	<u>21,442</u>
Levy receipts by sector		
Housing	14,144	11,700
Commercial	10,231	7,021
Engineering construction	<u>5,718</u>	<u>2,721</u>
	<u>30,093</u>	<u>21,442</u>
4 Interest Revenue		
Interest revenue	<u>745</u>	<u>760</u>
Earned on current bank accounts and investments by way of term deposits	<u>745</u>	<u>760</u>
5 Other Revenue		
DET - Skills Development	352	-
Training 457 Visa	182	-
Sundry/Other Income	<u>3</u>	<u>166</u>
	<u>537</u>	<u>166</u>
6 Employee Benefits Expense		
Wages & Salaries (a)	1,019	787
Superannuation- superannuation guarantee levy	98	73
Long service leave (b)	1	21
Annual leave (b)	74	31
Other employee costs	<u>95</u>	<u>88</u>
	<u>1,287</u>	<u>1,000</u>
(a) Includes the value of fringe benefit to the employee plus the fringe benefit tax component.		
(b) Includes a superannuation contribution component		
Employment on-costs such as worker's compensation insurance are included at note 11 'Other Expenses'. The employment on-cost liability is included at note 19 'Provisions'.		
7 Supplies and Services		
Bank charges	8	7
Communications	61	42
Consumables	67	52
Accounting & audit fees	11	21
Board costs	126	131
Insurance	16	7
Legal Fees	9	8
Other supplies & services	134	80
Conferences and Seminars	13	5
Travel	<u>30</u>	<u>38</u>
	<u>475</u>	<u>391</u>
8 Depreciation Expense		
Office equipment	<u>110</u>	<u>16</u>



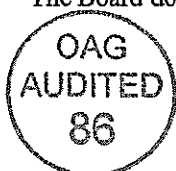
BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
9 Accommodation Expense		
Lease rentals	185	91
Outgoings	12	17
Repairs & maintenance	1	2
Cleaning	7	4
	<u>205</u>	<u>114</u>
10 Grants & Subsidies		
<u>Programs recurrent</u>		
Career promotion	862	813
Industry initiatives	13	64
RPL	21	-
Research & development	10	5
Apprentices management	5	20
	<u>911</u>	<u>902</u>
<u>Training expenditure recurrent</u>		
by sector-		
Housing	13,495	12,781
Commercial	8,558	7,948
Engineering construction	1,131	1,002
	<u>23,184</u>	<u>21,731</u>
11 Other Expenses		
Employment on-costs (a) (see note 6 'Employee benefits')	2	1
Other (b)	31	30
	<u>33</u>	<u>31</u>
(a) Includes worker's compensation insurance, and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 19 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
(b) Audit Fees, see note 30 'Remuneration of Auditor'.		
12 Revenue Collection Costs		
Levy collection fees	<u>178</u>	<u>151</u>
13 Cash and Cash Equivalents		
Bank accounts	148	135
Funds on deposit	80	40
Other financial assets- term deposits	15,433	11,010
	<u>15,661</u>	<u>11,185</u>
14 Receivables		
Receivables	27	27
GST receivable	474	362
Interest receivable	174	140
	<u>675</u>	<u>529</u>

The Board does not hold any collateral as security or other credit enhancements relating to receivables.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
15 Other Assets		
Accrued levy income	1,983	2,109
Prepayments	10	10
	<u>1,993</u>	<u>2,119</u>
16 Plant & Equipment		
Office equipment at cost	463	74
Accumulated depreciation	(138)	(58)
Accumulated Impairment Loss	-	-
	<u>325</u>	<u>16</u>

Reconciliations of the carrying amounts of office equipment at the beginning and the end of the reporting period are set out below:

	Office equipment		Total Non Current Assets	
	2010 (\$000)	2009 (\$000)	2010 (\$000)	2009 (\$000)
Carrying amount at start of year	16	27	16	27
Additions	420	22	420	22
Disposals	(31)	(108)	(31)	(108)
Depreciation	(111)	(16)	(111)	(16)
Impairment losses	-	-	-	-
Depreciation writeback	31	91	31	91
Carrying amount at end of year	<u>325</u>	<u>16</u>	<u>325</u>	<u>16</u>

17 Impairment of Assets

There were no indications of impairment to plant & equipment assets at 30 June 2010.

The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

18 Payables

Trade payables	<u>21</u>	<u>20</u>
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See also note 2 (m) "Payables" and note 28 Financial Instruments.

19 Provisions

Current

Employee benefits provision:

Annual leave (a)	101	101
Long service leave (b)	81	62
	<u>182</u>	<u>163</u>

Other provisions:

Employment on-costs (c)	-	-
	<u>182</u>	<u>163</u>

Non current

Employee benefits provision:

Long service leave (b)	113	58
	<u>113</u>	<u>58</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
19 Provisions (Cont...)		
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	58	52
More than 12 months after balance sheet date	53	49
	<u>111</u>	<u>101</u>
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	37	28
More than 12 months after balance sheet date	44	34
	<u>81</u>	<u>62</u>
(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 11 'Other expenses'.		
20 Other Liabilities		
Accrued training expenses	1,349	1,578
Accrued salaries	37	24
Accrued expenses	228	274
	<u>1,614</u>	<u>1,876</u>
21 Equity		
Accumulated Surplus/(Deficit)		
Balance at the start of year	11,732	13,700
Result for the period	4,992	(1,968)
Balance at the end of year	<u>16,724</u>	<u>11,732</u>
22 Notes to the Statement of Cash Flows		
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents		
Bank accounts	148	135
Funds on deposit	80	40
A Other financial assets- term deposits	15,433	11,010
	<u>15,661</u>	<u>11,185</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

	2010 (\$'000)	2009 (\$'000)
22 Notes to the Statement of Cash Flows (Cont...)		
<u>Reconciliation of profit/ (loss) to net cash flows provided by/(used in) operating activities:</u>		
Profit/(Loss)	4,992	(1,968)
Non cash items:		
Depreciation expense	110	16
Assets expensed	-	17
(Increase)/ decrease in assets:		
Current receivables(c)	(146)	(69)
Other current assets	126	(187)
Increase/ (decrease) in liabilities		
Current payables	1	7
Current provisions	19	31
Other current liabilities	(261)	221
Non-current provisions	55	21
Net GST receipts/(payments)(a)	(107)	52
Change in GST receivables/payables(b)	107	(52)
B Net cash provided by /(used in) operating activities	4,896	(1,911)

(a) This is the net GST paid/received, ie. Cash transactions

(b) This reverses out the GST in receivables and payables

(c) Note that the Australian Taxation Office (ATO) receivables/payables in respect of GST and the receivables/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

23 Resources Provided Free of Charge

During the year there were no resources provided to other agencies free of charge for functions outside the normal operations of the Board.

24 Commitments

Lease commitments

Commitments in relation to leases contracted at the end of the reporting period but not recognised in the financial statements as liabilities, are payable as follows:

Within 1 year	166	181
Later than 1 year and not later than 5 years	439	554
Later than 5 years	-	-
	<u>605</u>	<u>735</u>
Representing:		
Non-cancellable Operating Leases	<u>605</u>	<u>735</u>



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

The property lease for the Homebase Centre expired on 30th June 2009. The Board negotiated an extension until 30th October 2009.

The Board has entered into a non-cancellable five year lease with the option of a five year term extension for premises in Hasler Road Osborne Park. Rent is payable monthly in advance. Contingent rent provisions within the lease agreement require that the current lease payments should be reviewed on 30th June each year and are subject to increase at a rate equivalent to prevailing market rates.

The Board has entered into non-cancellable operating leases for four motor vehicles with State Fleet. Board policy is to replace vehicles on the expiry of the lease, the latest of which matures in October 2012.

25 Contingent Liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Levy refunds

During the 2009/10 year \$30 million dollars was collected as levies. Under the Act, these are payable before the commencement of construction and are refundable wholly or in part if the construction is not completed. The proportion representing incomplete work is not known and according to past experience the amount of the refunds in proportion to the total amount collected is relatively insignificant and in the year ended 30th June 2010 amounted to \$951k being 3.17 % of the amount received. No other contingent liabilities have since come to our knowledge.

Litigation in progress

There are no known legal claims pending by third parties against the BCITB other than those matters referred to our lawyers or insurers in the normal course of business for which we consider there are no significant liabilities.

26 Events Occurring After Balance Date

There have been no significant events occurring since the reporting date.

27 Explanatory Statement

This statement provides details of any significant variations between the estimates and actual results for 2009/10 income and expenses, and between the actual results for 2008/09 and 2009/10. Significant variations are considered to be those greater than 10% of budget and \$10,000.

Significant variances between estimate and actual results for the financial year

The budget figures contained in this note to the financial statements were drawn from the Operational Plan endorsed by the Minister for Education and Training during the course of the year to 30 June 2009.

	2010 Estimate \$'000	2010 Actual \$'000	Variation \$'000
Income			
Levy Receipts	21,675	30,093	8,418
Interest	500	745	245
Expenditure			
Employee Benefits Expense	1,212	1,287	(75)
Training Expenditure	21,550	24,095	(2,545)



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

Levy receipts

Levy collections were 38.6% higher than budget for the year due to stronger than anticipated economic growth and unanticipated Government stimulus spending. The growth was felt across all sectors.

Interest

Interest income from Board reserves were 48.8% higher than budget expectations as a result of higher than expected revenue collections and significant increases in interest rates during the year.

Employee costs

Employee costs were \$99,000 or 8.2% higher than budget, and can be directly attributed to the taking on of additional staff during the year to meet operational requirements.

Training expenditure

Training expenditure was \$2.5m or 5.4% higher than budget expectations. This variation can be directly attributed to additional funding measures introduced during the year.

Significant Variances between actual and prior year actual

	2010	2009	Variation
	\$'000	\$'000	\$'000
Income			
Levy Receipts	30,093	21,442	8,651
Interest	745	760	(15)
Expenditure			
Employee benefits expense	1,287	1,000	(287)
Supplies & services	475	391	(84)
Collection fees	178	151	(27)
Training expenditure	23,184	21,731	(1,453)

Levy receipts

Levy receipts were 40.3% higher than 2008/09 due to stronger than anticipated economic growth and unanticipated Government stimulus spending.

Interest

Variance is not considered significant

Employee expenses

Employee expenses were \$311,000 higher than 2008/09 due to the taking on of additional staff in order to meet operational requirements and the reclassification of a number of positions during the course of the year.

Collection Fees

Collection Fees were 15.2% higher than 2008/09, directly related to the increase in levy revenue.

Training expenditure

Total expenditure of \$22.7 million was \$1.0 million or 4.5% higher than 2008/09. This can be directly attributed to additional funding measures introduced in the second half of the year

The unexpected increase in levy revenue has resulted in a cash surplus for the year of \$5.1m.



28 Financial Instruments

Financial Instrument Disclosures

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Board are cash and cash equivalents, bank deposits, term deposits and non interest bearing receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below.

Credit risk

The Board trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Board is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

The Board does not trade in foreign currency and is not materially exposed to other price risks. The Board is not exposed to any significant interest rate risk because cash and cash equivalents have short term maturities of less than three months and there are no borrowings.

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:.

	2010	2009
	\$000's	\$000's
Financial Assets		
Cash and cash equivalents	15,661	11,185
Receivables	675	529
Other current assets	1,993	2,119
Financial Liabilities		
Financial liabilities measured at amortised cost (a)	1,635	1,897

(a) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable)



28 Financial Instruments (Cont)

(c) Financial instrument disclosures

Credit Risk, Liquidity Risk and Interest Rate Exposure

The following table discloses the Boards maximum exposure to credit risk, interest rate exposure and the ageing analysis of financial assets. The Boards maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Board.

The Board does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

The Board does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets

	Weighted average effective interest rate %	Interest rate exposure			Non interest bearing	Past due but not impaired					Impaired financial assets
		Carrying amount	Fixed interest rate	Variable interest rate		Up to 3 months	3-12 months	1 - 2 years	2-5 years	>5 years	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets											
2010											
Cash and cash equivalents	4.3	15,661	-	15,661	-	-	-	-	-	-	-
Receivables	4.3	675	-	-	675	-	-	-	-	-	-
Other financial assets	4.3	1,951	-	-	1,951	-	-	-	-	-	-
		18,287	-	15,661	2,626	-	-	-	-	-	-
2009											
Cash and cash equivalents	5.8	11,185	-	11,185	-	-	-	-	-	-	-
Receivables	5.8	529	-	-	529	-	-	-	-	-	-
Other financial assets	5.8	2,119	-	-	2,119	-	-	-	-	-	-
		13,833	-	11,185	2,648	-	-	-	-	-	-

28 Financial Instruments (Cont)
(c) Financial instrument disclosures

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undisclosed amounts at the end of the reporting period. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposures and maturity analysis of financial liabilities

	Weighted average effective interest rate %	Interest rate exposure				Non interest bearing	Adjustment for discounting	Total Nominal Amount	Maturity Date				
		Carrying amount	Fixed interest rate	Variable interest rate					Up to 3 months	3-12 months	1 - 2 years	2-5 years	>5 years
		\$000	\$000	\$000	\$000	\$000			\$000	\$000	\$000	\$000	\$000
Financial Liabilities													
2010													
Payables		21	-	-	-	21	-	-	-	-	-	-	-
Other financial liabilities		1,345	-	-	-	1,345	-	-	-	-	-	-	-
		1,366	-	-	-	1,366	-	-	-	-	-	-	-
2009													
Payables		20	-	-	-	20	-	-	-	-	-	-	-
Other financial liabilities		1,876	-	-	-	1,876	-	-	-	-	-	-	-
		1,896	-	-	-	1,896	-	-	-	-	-	-	-



28 Financial Instruments (Cont)
(c) Financial instrument disclosures

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Boards financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$000	-100 basis points Surplus \$000	Equity \$000	+100 basis points Surplus \$000	Equity \$000
2010					
Financial Assets					
Cash and cash equivalent	15,661	(157)	(157)	157	157
Receivables	675	-	-	-	-
Other financial assets	1,951	-	-	-	-
	18,287	(157)	(157)	157	157
Financial Liabilities					
Payables	21	-	-	-	-
Other financial liabilities	1,345	-	-	-	-
Total Increase/(Decrease)	1,366	-	-	-	-

	Carrying amount \$000	-100 basis points Surplus \$000	Equity \$000	+100 basis points Surplus \$000	Equity \$000
2009					
Financial Assets					
Cash and cash equivalent	11,185	(112)	(112)	112	112
Receivables	529	-	-	-	-
Other financial assets	2,119	-	-	-	-
	13,833	(112)	(112)	112	112
Financial Liabilities					
Payables	20	-	-	-	-
Other financial liabilities	1,876	-	-	-	-
Total Increase/(Decrease)	1,896	-	-	-	-



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD**Notes to the Financial Statements****For the year ended 30 June 2010****28 Financial Instruments (Cont)**

All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

29 Remuneration of Members of the Accountable Authority and Senior OfficersRemuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose fees, salaries superannuation and other benefits for the financial year, fall within the following bands are:

	2010	2009
\$10,000 - \$20,000	6	6
\$20,001 - \$30,000	-	-
\$30,001 - \$40,000	1	1
The total remuneration of Members of the Accountable Authority is	<u>116</u>	<u>125</u>

The total remuneration included here represents the superannuation expense incurred by the Board in respect of members of the Accountable Authority.

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries and other benefits for the financial year, fall within the following bands are:

	2010	2009
\$110,001 - \$120,000	1	-
\$120,001 - \$130,000	-	-
\$130,001 - \$140,000	-	-
\$140,001 - \$150,000	-	-
\$150,001 - \$160,000	1	1
\$160,001 - \$170,000	1	-
The total remuneration of Senior Officers is:	<u>432</u>	<u>153</u>

The total remuneration included here represents the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Accountable Authority. The increase from 2009 is due to the reclassification of two positions to Director status during the year.

30 Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2010	2009
Auditing the accounts, financial statements and performance indicators.	<u>31</u>	<u>30</u>

Expenses are included in 'Other Expenses' at note 11

31 Related Bodies

There are no bodies associated with the BCITB which would constitute that of a related body according to the disclosure requirements of the FMA.



BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to the Financial Statements

For the year ended 30 June 2010

32 Affiliated Bodies

There are no bodies associated with the BCITB which would constitute that of an affiliated body according to the disclosure requirements of the FMA.

33 Supplementary Financial Information

During the financial year, there were no write-offs of public property approved by the Minister, losses of public moneys or property through theft or default or gifts of public property provided by the Board.

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Board on behalf of the community. The asset revaluation surplus represents that portion of

34 equity resulting from the revaluation of non-current Assets.

Accumulated surplus/(deficit)

	2010	2009
	\$'000	\$'000
Balance at start of year	11,732	13,700
Results for the period	4,992	(1,968)
Income and expenditure recognised directly in equity	-	-
Dividends paid	-	-
Balance at end of year	16,724	11,732

