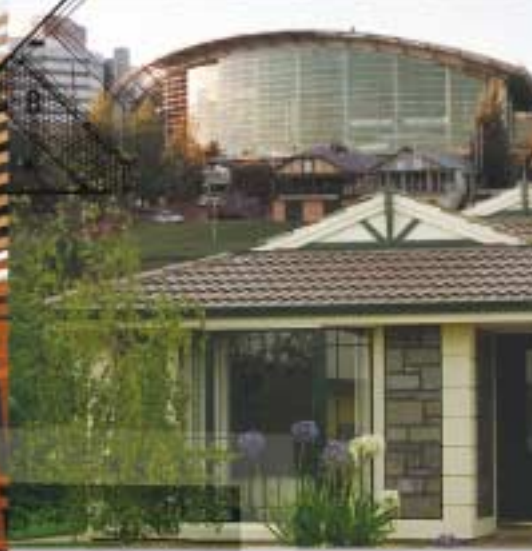


2000-2001

# Annual Report



[www.citb.org.au](http://www.citb.org.au)



**Construction Industry  
Training Board**

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# Chairman's Report

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In accordance with Section 17 of the SA Construction Industry Training Fund (CITF) Act 1993, I have much pleasure in presenting the Construction Industry Training Board (CITB) 2000/2001 Annual Report.

During 2000/2001 the SA Parliament agreed changes to the SA CITF Act and these have now been fully implemented. I am confident that these changes will serve to assist the Board in maximising the outcomes achieved through the work of the CITB.

In addition to implementing these changes, this year has also seen the development of LaTAS, the CITB's fully integrated, on-line, data processing system. LaTAS along with further enhancement of the CITB website will enable the CITB to adopt E-Business as the principal mode of operation. LaTAS will be undergoing a comprehensive trial during 2001/2002 and I look forward to reporting next year on its success.

The CITB continues to enjoy widespread recognition for the very positive influence it has on the availability of training and its uptake by the industry. Unfortunately research shows that many still are unaware of the role the CITB has in facilitating training, with this especially being the case with respect to the training of apprentices and trainees in the industry. More work will need to be done on ensuring that due recognition is given to the CITB for the work performed by it, as we remain committed to maximising the contribution the CITB is making to skill development in the SA building and construction industry.

I am also pleased to report on the on-going efforts the CITB has made to foster a cooperative spirit with the Construction Industry Development Board (CIDB) in Malaysia. The building of this relationship had its genesis in the visit made to South Australia last year by the Malaysian Deputy Minister of Works, Mr Khaled Nordin. I am confident this relationship will continue to grow and will bear fruit for all parties both in SA and Malaysia.

The CITB remains committed to ensuring its responsiveness to its many stakeholders. In an endeavour to demonstrate this commitment it has been agreed that for the first time the CITB is to conduct an Annual General Meeting (AGM). The AGM will provide an opportunity for the Board of the CITB to report, in a public forum, on the outcomes it has achieved and our plans for the future. The inaugural AGM is to be held in mid-October 2001, and invitations will be made to all key stakeholders and to the wider general public. I look forward to presenting this report at that meeting.

Finally, I would like to thank all those who have contributed to the continuing success of the CITB. Those whom I must personally thank include my fellow Directors, the members of the various committees formed to support the CITB, the staff of the CITB, and finally, all of those operating in the SA building and construction industry. I look forward to building on our past success and seizing the emerging opportunities.

A handwritten signature in black ink, which appears to read "R. J. Mckay".

RICHARD J. MCKAY  
Chairman

# CITB's Vision / Mission / Values / Functions

## our vision

### **For the Industry**

*A unified innovative building and construction industry providing world's best practice products and services to the South Australian community.*

### **For the CITB**

*Recognised as the leading facilitator of quality skills development and learning within the South Australian building and construction industry.*

## our mission

*To support the South Australian building and construction industry by providing leadership in training and skills development.*

## our values

- Integrity
- Leadership & Innovation
- Teamwork
- Open Communication
- Customer Satisfaction
- Quality of Service

## our functions

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

- *to act as a principal adviser to the relevant SA and Federal Ministers on any matter relating to training in the building and construction industry*
- *to administer the Construction Industry Training Fund (CITF)*
- *to prepare training plans in accordance with the Act*
- *to promote increased productivity, career opportunities, personal satisfaction and OH&S within the building and construction industry through training*
- *to review and evaluate employment related training programs to ensure that they meet the training and skill requirements of the building and construction industry*
- *to ensure a more equitable distribution of effort amongst employers in relation to employment related training in the building and construction industry*
- *to initiate, carry out, support or promote research into the training and personnel needs of the building and construction industry*



# Chief Executive Officer's Report

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The period covered in this report saw the CITB address many issues considered of critical importance to the future of the CITB and our role supporting on-going skill development in the industry. Principal amongst these has been the action taken to fulfil the Board's decision to adopt E-Business as our primary means of operation.

The development of a robust, integrated and user-friendly database foundation upon which to build our E-Business framework is vital. The development of such a system, now referred to as LaTAS, is complete and it, along with our enhanced website, will enable the realisation of the Board's original on-line vision. I am confident that with the implementation action now in hand, the CITB will have a leading-edge E-Business system providing for improved efficiencies and functionality, whilst also enhancing customer service and accessibility.

This year has also served to further consolidate the role the CITB plays in facilitating skills development within the SA building and construction industry. We continue to provide funding support each year to around 20,000 people employed in the industry. The CITB's many training programs and initiatives are proving popular. The challenge now appears to relate to how to improve our operating efficiencies and maximise the outcomes being achieved from our investment. In line with this, action is now in hand to develop a suitable array of industry performance indicators that can serve to inform us on the impact that our training effort is having on the wider industry and provide some indication of where greater effort may be required.

The CITB 2001/2002 Annual Training Plan, through which the CITB is looking to invest \$9.8 million in a range of training programs and initiatives, will continue to build on our past success. The planned development of our on-line training portal will make cost-effective training more readily available to a wider range of individuals. Planned enhancements to the CITB D2C Program are also expected to support the uptake of relevant, industry-based training for those seeking a career in the building and construction year. I look forward to reporting next year upon the successes of these and our many other initiatives.

Finally, I would like to thank all those who have supported the CITB throughout 2000/2001 and I would especially like to thank the staff of the CITB for their continued total commitment and quiet efficiency.

A handwritten signature in black ink, which appears to read "Doug Strain". The signature is written in a cursive style with a long horizontal line extending to the right.

DOUGLAS D. STRAIN  
Chief Executive Officer

# Strategic Focus 2001

The Board of the CITB adopted the following as the key strategic streams. Status is at 30 June 2001.

## ***CITB Sector Standing Sub-Committees***

STATUS: Achieved.

- To have a new Sector structure agreed to by February 2001 and implemented by July 2001.

---

## ***Analysis of the Industry***

STATUS: To be initiated in 2001/2002.

- To ensure that the Act and supporting CITB policies and procedures reflect the current reality of the industry via a thorough industry analysis.

---

## ***Future CITB Act Reviews***

STATUS: Planning in progress. To be finalised by 30 September 2001

- To develop a pro-active and affirmative approach to future reviews of the CITB Act.

---

## ***LATAS System – Performance Indicators***

STATUS: Planning currently in progress. To be finalised by 30 September 2001.

- To identify a range of quantitative and qualitative indicators for our training utilising the LATAS system.

---

## ***Purchase of Training***

STATUS: On-going.

- To develop an appropriate mix of training providers including enterprises, RTOs and other providers to meet industry training demands.

---

## ***Entry Level Training***

STATUS: Currently underway. Expected to be finalised by 31 August 2001.

- To develop a CITB policy on entry level training which meets the needs of the industry and ensures the most effective use of funds.

---

## ***A Significant Construction Event***

STATUS: The first CITB AGM is planned for October 2001. Concept scoping being undertaken.

- To deliver a significant construction industry event which coincides with the 10th anniversary of the CITB in September 2003.
- 



# The Board of Directors *Membership as at 30 June 2001*



*The Board of the CITB during its visit in April 2001 to Kangaroo Island. Pictured are (from left); Mr Bob Osborne (Deputy to Mr Graeme Lawler), Ms Erica Pasfield (Secretary to the Board), Ms Sally Jeremic (Deputy to Ms Anne Howe), Mr Trevor Trewartha, Mr David Furniss (CEO Kangaroo Island Development Board), Mr Richard McKay (Chairman), Mr Doug Strain (CEO), Mr Martin O'Malley, Ms Sue Frazer, Mr Rob Stewart, Mr Bob Geraghty and Mr Brenton Gardner.*

**Richard Joseph McKay FAIB FAICD.** Chairman The Adelaide Bank Ltd, Director Bridgestone Ltd, Chairman Martindale Holdings Pty Ltd, Director Motor Accident Commission and Chairman Masonic Homes Inc.

**Susan Ainslee Frazer BEd DipDentHyg DipTech & FurEduc GradCertinMngt.** Currently Deputy Chairperson of the Accreditation Registration Council.

**Martin James O'Malley.** Secretary of the CFMEU and ABCWF. President United Trades & Labor Council of SA. (Deputy – Mr Ben Carslake)

**Christopher Percival Michelmores FIEAust MHKIE CPEng.** Chartered Engineer. Director Connell Mott MacDonald, consulting engineers and managers, Member, Development Board, University of South Australia. (Deputy – Mr Peter Harrland)

**Robert Norman Stewart MNIA MAICD.** Chief Executive Officer Master Builders Association of SA Inc. Director Building Industry Redundancy Scheme Trust. Chairman Master Builders Group Training Scheme. (Deputy – Mr Maurice Howard)

**Graeme Lawler MIEAust CPEng.** Director Leed Engineering and Construction Pty Ltd, President Civil Contractors Federation South Australia (Deputy – Mr Bob Osborne)

**Anne Howe.** Chief Executive, SA Water Corporation, Chair State Supply Board, Board Member Playford Centre Board, SAICORP Board and committee member of the Australian Procurement and Construction Council. (Deputy - Ms Sally Jeremic)

**Brenton Paul Gardner BA Planning MRAPI.** Director of SA & NT Housing Industry Association, Board Member South Australian HIA Group Apprentice Scheme. (Deputy – Gary Simpson)

**Steven Brenton Hall MIPA MAIE JP.** Director, Industrial Plumbing Services Pty Ltd, Director and Board Member, Master Plumbers Australia Ltd, Past President and Current Executive Member, Master Plumbers Association of SA, President, Building Industry Specialist Contractors Association. (Deputy – Mr John Purdy)

**Robert Geraghty.** Secretary, CEPU – Electrical Division. (Deputy – Mr David Smith)

**Trevor Trewartha.** Branch Organiser, Australian Workers Union. (Deputy – Mr Allan Harris)

# Board Report

## BOARD MEETINGS

The Board of the CITB met on 11 occasions during 2000/2001. This included meetings held at Ceduna on 23 November 2000 and Kingscote on 20 April 2001.

	<i>Meetings Eligible to Attend</i>	<i>Meetings Attended</i>
<b>RICHARD JOSEPH MCKAY</b>	<b>11</b>	<b>11</b>
<b>SUSAN AINSLEE FRAZER</b>	<b>11</b>	<b>9</b>
Deputy: Sally Jeremic	2	Nil
<b>ANNE HOWE</b>	<b>11</b>	<b>3</b>
Deputy: Sally Jeremic	8	6
<b>TREVOR TREWARTHA</b>	<b>11</b>	<b>10</b>
Deputy: Alan Harris	1	Nil
<b>ROBERT GERAGHTY</b>	<b>11</b>	<b>10</b>
Deputy: David Smith	1	Nil
<b>MARTIN JAMES O'MALLEY</b>	<b>11</b>	<b>7</b>
Deputy: Ben Carslake	4	Nil
<b>BRENTON GARDNER</b> (Appointed 23/11/2000)	<b>11</b>	<b>8</b>
Deputy: Gary Simpson (Appointed 23/11/2000)	3	2
<b>CHRISTOPHER PERCIVAL MICHELMORE</b>	<b>11</b>	<b>6</b>
Deputy: Peter Harrland	5	Nil
<b>ROBERT NORMAN STEWART</b>	<b>11</b>	<b>9</b>
Deputy: Maurice Howard	2	1
<b>GRAEME LAWLER</b>	<b>11</b>	<b>8</b>
Deputy: Robert Osborne	3	1
<b>STEVEN HALL</b>	<b>11</b>	<b>10</b>
Deputy: John Purdy	1	Nil

## ANNUAL TRAINING PLAN APPROVAL

The CITB 2000/2001 Annual Training Plan (ATP) was prepared in accordance with Section 32 of the SA CITF Act 1993 and approval of that plan was given, by the SA Minister for Education, Children's Services and Training on 25 May 2000.

The CITB 2000/2001 ATP was prepared in accordance with Section 32 of the SA CITF Act 1993 and approval of that plan was given, by the SA Minister for Training Employment on 26 March 2001.

## DELEGATIONS

The CEO, Mr Douglas Strain, the Finance Manager, Ms Jan Stephens, and Compliance Manager, Mr Les Webb, along with Mr James Gouskos of Moore Stephens Priestly & Morris, have retained their appointment as Authorised Officers in accordance with Section 33 of the SA Construction Industry Training Fund (CITF) Act 1993. Mr Samuel Macmillan has left Moore Stephens Priestly & Morris and, therefore, had his authorisation revoked. Approval from the Minister has been sought for another Officer to take his place.

At its meeting on 24 August 2000, the Board of the CITB agreed to delegate authority to the Presiding Member and the CEO to approve the final CITB

2000/2001 financial statements on the basis that there were no material changes from the draft statement.

At its meeting on 21 September 2000, the Board of the CITB agreed to delegate to the Presiding Member the authority for approving the CITB 2000/2001 Annual Report.

At its meeting on 15 February 2001, the Board of the CITB agreed to delegate to the CEO responsibility for final approval of the CITB 2001/2001 ATP subject to the provision that there were no material changes from the draft statement.

At its meeting on 21 June 2001, the Board of the CITB agreed to delegate to the CEO the authority to appoint a consultant to conduct a Feasibility Study to establish performance indicators for the building and construction industry.

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

## CONFLICT OF INTEREST

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

# REVIEW OF THE CITF ACT

On 5 October 2000, the Honourable M. K. Brindal, Minister for Employment and Training introduced into the SA Parliament the Construction Industry Training Fund (Miscellaneous) Amendment Bill. The provisions of this Bill were a result of the findings of a wide ranging and widely considered review of the original Construction Industry Training Fund (CITF) Act 1993. On 14 December 2000 the SA Governor in Executive Council assented to the enactment of the range of changes to the SA CITF Act 1993 which were encompassed in this Bill, with them to come into force, in the main, with effect from 1 March 2001.

## OUTCOME:

The principal effect of the changes that form the CITF (Miscellaneous) Amendment Act are;

- the raising to a value in excess of \$15,000 for the project threshold at which the CITF Levy becomes due;
- the lifting of the general exemption from liability for payment of the CITF Levy which had previously existed for both State and Local Government and their agencies;
- the clarifying of definitions regarding items of plant and equipment which constitute a building and construction project; and
- a range of minor administrative changes.

## IMPLEMENTATION:

All changes encompassed in the Amendment Act were communicated to those in the industry and broader community, and were successfully implemented to take effect from 1 March 2001. The provision removing the previous exemption from payment of the CITF Levy which existed for State and Local Government came into effect on 1 July 2001. The CITB entered into discussion with the full range of state government



*In furthering the strong partnership which exists between the CITB and local government authorities throughout SA, a Memorandum of Understanding was signed between the CITB and the Local Government Association of SA. Pictured at the signing ceremony are (from left), Mr Doug Strain and Mr Richard McKay of the CITB and Mayor Brian Hurn and Mr John Comrie of the LGA of SA.*

departments, agencies and authorities, along with the Local Government Association of SA on behalf of all local government councils. Negotiations were progressed satisfactorily, and as a result all provisions were successfully implemented.

# Upskilling and Cross-Skilling Program

## OBJECTIVES

- To provide training opportunities for existing eligible workers.
- To ensure CITB funded training meets quality standards and the outcomes required by industry.

## STRATEGIES

- Fund training providers to deliver training in accordance with the priorities identified by the sectors.
- Fund individuals and enterprises to undertake short courses and programs.
- Establish and maintain a system for monitoring the quality and effectiveness of training funded by the CITB.

## OUTCOMES

- Skills of workers increased through training attendance.
- Skill development needs of identified groups are addressed.
- Training course outcomes meet criteria established by the Board.

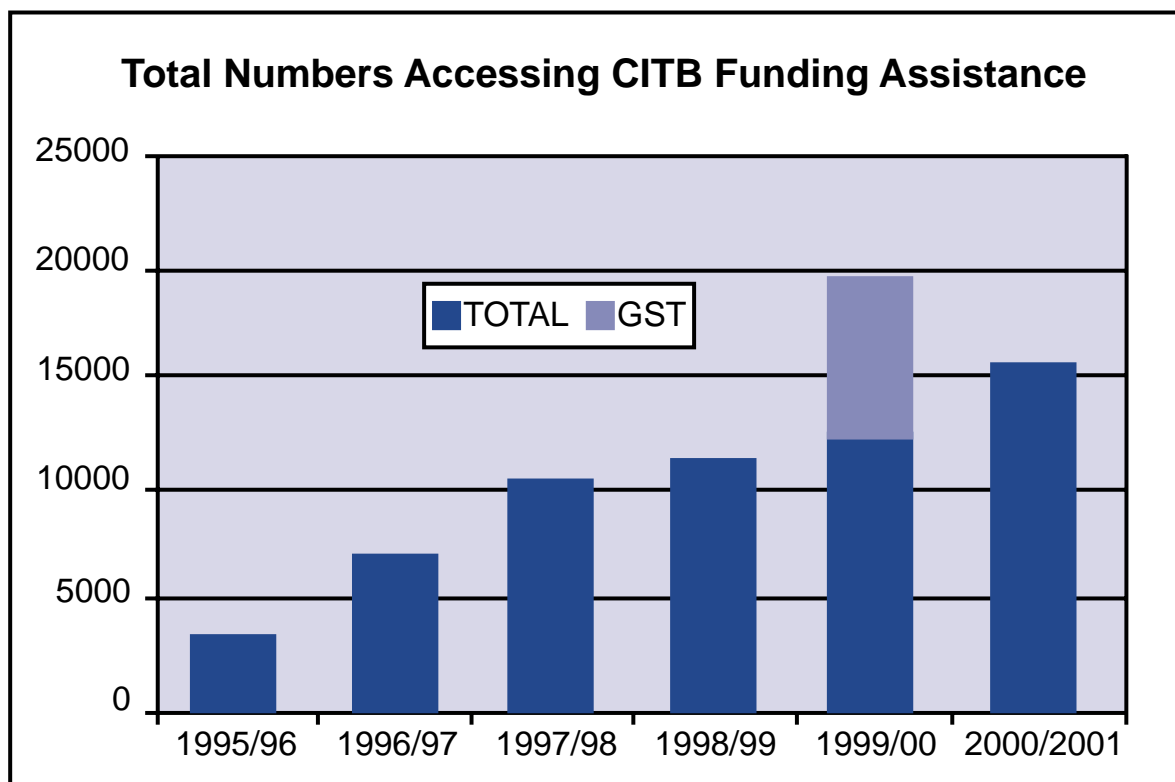
The need to maintain and continually update the skill of those already employed within the building and construction industry is a principal focus of the CITB.

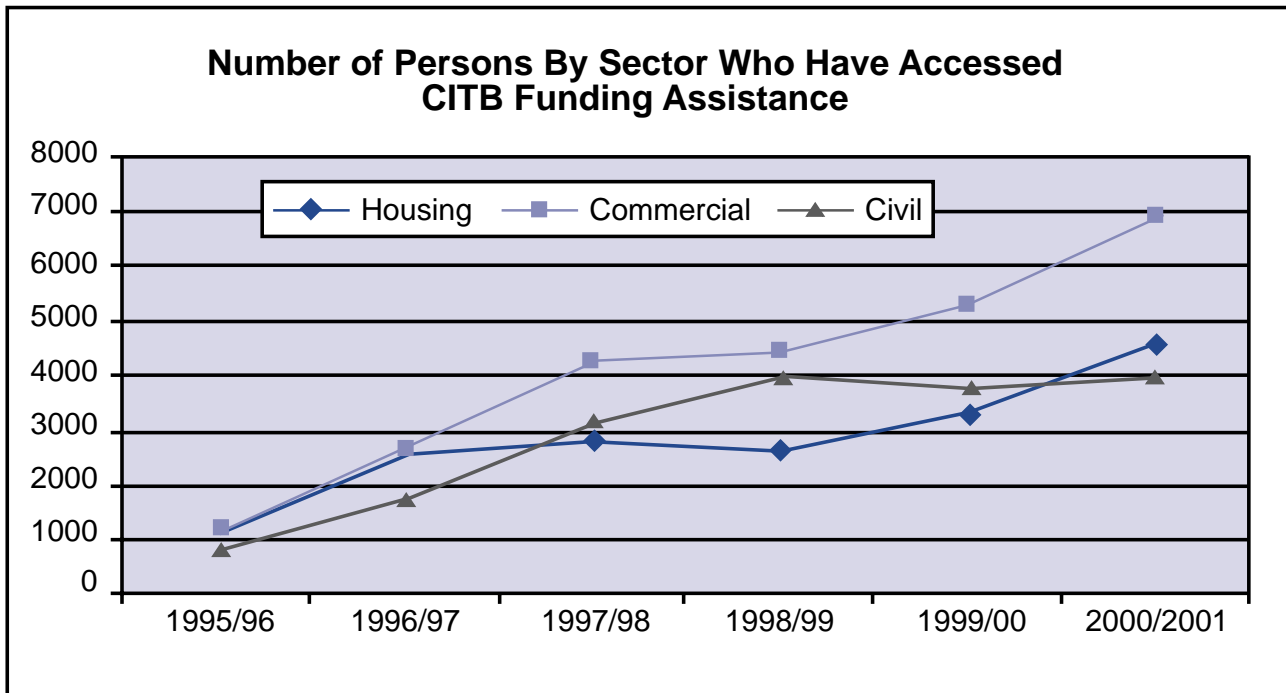
## TRAINING UPTAKE

During the period CITB funding supported, in full or part, the attendance of almost 15,500 persons currently employed in the SA building and construction industry at training programs, courses, seminars or activities. These activities included an extensive range of industry subjects conducted by a wide range of training providers. Details are provided in Appendix 1.

When excluding the training undertaken in 2000/2001 that directly related to the introduction of the new taxation system, the numbers accessing CITB funding support have continued to grow. By sectors this growth has principally been in the Commercial and Housing Sectors, whilst those employed in the Civil Sector proved to be earlier adopters to the training facilitated through the CITB.

During 2000/2001 the CITB embraced a "user choice" system of training selection whereby individuals or employing enterprises could make a selection from a range of training providers who were able to provide the training sought. This system has proved to be both popular and cost effective.





### OUTCOME ASSESSMENT

The CITB is committed to maximising the quality of the training facilitated through its efforts, along with monitoring the effectiveness of the training in meeting the identified skill gap.

In February 2001, the CITB commissioned JWPM Consulting P/L to undertake a telephone survey of a sample of over 200 persons who had undertaken training for which CITB funding assistance had been provided. This was the second such annual survey. Key findings of the survey were that participants continued to;

- have a high level of satisfaction with the training received, with the overwhelming majority reporting the desired skill outcomes sought was achieved;
- see their training as having a beneficial effect on their productivity, enhancing their career & job prospects, and improving the quality of their work and product; and
- have a low level of awareness of the role the CITB had performed in supporting the training undertaken by them.

### SKILL DEVELOPMENT NEEDS

The CITB continues to actively support an improvement in the scope and responsiveness of training available to the industry.

### *Plant Operations Training*

The CITB continues to play a crucial role in facilitating the uptake of plant operations training for the industry. During 2000/2001 the CITB introduced revised funding arrangements that:

- support occupational licensing requirements for load shifting equipment;
- support trainees under contracts of training for the Certificate III in Civil Construction (Plant); and
- provide enterprises greater choice in delivery options.

In addition, the CITB managed a professional development program for assessors of plant operations. This program highlighted the difficulties in obtaining consistency of assessments against the competency standards and has given rise to an initiative to develop skill appraisal instruments to support assessment of plant operations.

### *Environmental Training*

The CITB commenced discussions with interested parties regarding the development of a short course to raise awareness of responsible and safe environmental practices on construction sites. A steering committee has been established to oversee development activity.

### FUTURE DIRECTIONS

- Continue to support the upskilling and cross-skilling of those persons already employed within the building and construction industry.
- Enhance the CITB website to provide for on-line information on training courses available and provide for on-line course registration.
- Trial the provision of on-line training for persons employed in the building and construction industry.
- Review the manner by which CITB supports the training of persons currently employed in the industry.
- Monitor the quality and relevance of the training facilitated through the CITB.
- Monitor the trial being conducted for revised ways of supporting plant operations training.

## Vale – Harry Wauer

### *Establishment of CITB Harry Wauer Memorial Medal To Recognise Excellence in Plant Operations Training*



It was with great sadness that the sudden death of Mr Harry Wauer was met on 27 December 2000. Harry, who had been a tireless advocate of skills development in the civil construction sector, had served as the Chairman of the CITB Civil Sector Standing Sub-Committee and was the CITB's representative on the National Civil Construction Stream Committee. All those employed in the civil construction sector have benefited from Harry's energy and wisdom in the area of skill, and many of the initiatives started by Harry will continue to benefit future generations of workers in that vital area of the building and construction industry.

In recognition of Harry's work, the Board of the CITB has agreed to the establishment of the CITB Harry Wauer Memorial Medal. This Medal will recognise excellence in plant operations training and the inaugural award is to be made at the National Civil Construction Federation Conference to be held in Adelaide in late October 2001.

# DOORWAYS 2 CONSTRUCTION



The D2C program continues to strengthen and expand its influence with many of the first graduates of the program successfully gaining work in a wide variety of occupations within the industry.

The program has grown to 14 separate programs around South Australia from an original 6. In doing so, the program has formed strategic alliances with the SA Housing Trust, group schemes and key businesses in the industry. It has also established a strong presence in four regional centres.

The D2C program continues to ensure excellence in all facets of its operation. It ran a second, highly successful, three-day professional development workshop for teachers, produced an 'Operations Manual' and curriculum planning resources.

Students are supported through the provision of safety equipment and excellence is rewarded and recognised through a Student Award established by the CITB.

*// The contacts you develop during the course are really important. I'm employed now because I made the best of the opportunities D2C offered me. //*

**James Randell –**  
*Apprentice Wall & Ceiling Fixer,  
Morphett Vale*

*// ... the Doorways 2 Construction course helped me make decisions about my future by giving me a real insight into the building industry while still at school. We were required to do work placements with local tradesmen...during one such work placement that I was offered an apprenticeship. If it had not been for the course I am sure the opportunity would not have arisen. //*

**Matthew Johns –**  
*Apprentice Plumber,  
South East*



*The Hon Mark Brindal MP, Minister for Employment & Training, with students in the D2C program.*

Both students and teachers are supported with career and other information contained in the CITB's D2C web site that was launched during the year, as well as other supporting promotional materials and activities.

Key promotional materials and activities for the year included:

- a stand at the Worldskills exhibition
- stands at various career expos
- presentation of the D2C program at conferences
- the development and distribution of a careers video
- distribution of D2C computer mouse mats, stickers and tattoos
- publication and distribution of Building Skills newsletters
- development and distribution of Program Profiles to inform schools of the range of possible D2C arrangements

# Entry Level Training Program

## OBJECTIVES

- To increase the number of people entering the industry under contracts of training.
- To ensure that a pool of skilled workers continue to enter the SA building and construction industry.

## STRATEGIES

- Provide support to eligible organisations in accordance with Board policy.
- Support alternative entry level pathways.
- Provide support to schools and individuals about training pathways for the industry.
- Establish an informational and promotional program targeted to potential new entrants.

## OUTCOMES

- Increase in the number of new entrants under contracts of training in accordance with sector targets.
- Feasibility of alternative pathways examined for possible implementation.
- Promotional materials and career information produced and distributed.
- Contracts of training for new training package qualifications established.
- Support for VET programs in construction skills provided in schools.

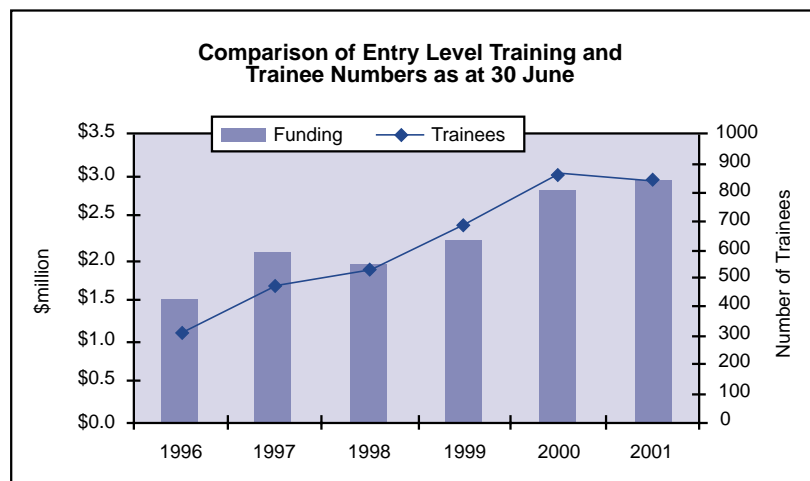
The need to maintain an on-going supply of well trained and committed young workers into the SA building and construction industry is viewed as being of critical importance.

## APPRENTICES AND TRAINEES

The CITB has continued to strengthen its commitment to entry level training with a further \$2.9 million being expended during the year to support the training of apprentices and trainees employed in the SA building and construction industry. This expenditure builds upon the \$12 million disbursed over the previous seven years.

In 2000/2001 CITB funding was provided to the following organisations to support the training of apprentices and trainees;

Group Training Employment	\$328,117
Master Builders Group Training Scheme	\$947,378
Civil Construction Group Training Scheme	\$18,187
Plumbing, Electrical, Electronic and Refrigeration (PEER) Training, the Housing Industry Association Group Training	\$618,284
Painting Apprentice Industry Training Group Scheme Inc.,	\$61,988
NASTEC Solutions Group Training Scheme Inc.,	\$62,229
Trainee and Apprentice Placement Service (TAPS).	\$255,831
<b>TOTAL</b>	<b>\$2,913,678.00</b>



## Entry Level Training Program *continued*

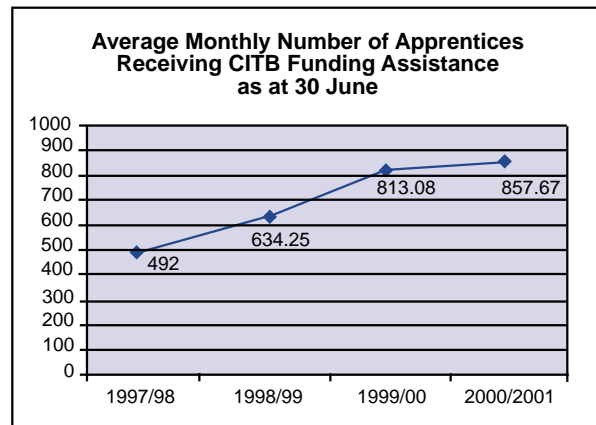
The period saw a slump in the number of persons training in those trades and vocations considered of principal importance to the SA building and construction industry. The dramatic slump in construction activity, primarily resulting from a fall in residential construction starts that followed the introduction of the new taxation arrangements on 1 July 2000, has seen a marked reluctance for employers to engage apprentices and trainees. In addition, two of the organisations who had received CITB funding assistance under this program also closed down, with those apprentices and trainees either being suspended or redeployed.

The effect of these factors, as forecast in last years Annual Report, has been a slight fall in the numbers of apprentices and trainees receiving CITB funding assistance as at 30 June 2001.

<b>TRADE/OCCUPATION</b>	<b>NUMBER</b>
Carpentry	202
Bricklaying	33
Wall and Floor Tiling	9
Plumbing/Roof Plumbing	188
Telecommunication	43
Plastering	19
Painting & Decorating	51
Electrical	242
Refrigeration	33
Security Systems	10
Roof Tiling	2
Joiner	2
Cabinet Maker	4
<b>TOTAL</b>	<b>838</b>

### ***CITB Funded Apprentices/Trainees as at 30 June 2001***

However, when taken as a monthly average throughout the period, the numbers receiving CITB funding support has continued to grow, though it is considered unlikely any significant further growth will be possible in the short term.



## VET IN SCHOOLS

The CITB continues to view VET in Schools as a strategic stream for its efforts in supporting the continued availability of well skilled persons for employment within the building and construction industry. The flagship program in this endeavour continues to be CITB Doorways 2 Construction (D2C).

## CAREER INFORMATION & PROMOTION

The CITB continues to consider the provision of career and training information as an importance facet of skill development. The CITB learner guides for the Certificate I in Construction, that are also now available on CD-ROM, continue to be well received by those in the schooling sector.

Development of the Doorway 2 Construction website has also continued. This site, which forms an element of the CITB's general website, is now widely recognised as the most up to date, relevant and user friendly resource on careers in the building and construction industry for students, teachers and parents.

### ***Barriers to Employment in the Building and Construction Industry***

The CITB was a partner in the project being managed by the Adelaide Metropolitan Area Consultative Committee (AMACC) to identify the barriers young South Australians perceive exist to their entering the building and construction industry. The resultant report

## Entry Level Training Program *continued*

on the project found that young people and women continued to demonstrate a reluctance to gain employment in the industry because of significant image, inadequate careers counselling and lack of effective links between the education sector and industry. The CITB is now pursuing action in partnership with AMACC to address the 11 strategies recommended in the report.

### FUTURE DIRECTIONS

- Continue to support apprentices and trainees employed in those trades and vocations of principal relevance to the building and construction industry.
- Further extend the CITB Doorways 2 Construction VET in Schools Program through managing the growth in the number of schools and students accessing it, whilst also looking to develop a phase two for the program.
- Continue to review the likely future manner for supporting the entry of new persons into the SA building and construction industry.
- Continue to promote the building and construction industry as a rewarding career choice for young South Australians.

## Reserve Program

### OBJECTIVES

- Address unforeseen training and other opportunities that arise during the year
- Provide flexibility in the Annual Training Plan

### STRATEGIES

- Accumulating a reserve of collections to which all sectors have access

### OUTCOMES

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

In 2000/2001, it proved unnecessary to access any funding from the Reserve Program. All skill needs were suitably addressed with the extant programs.

### FUTURE DIRECTIONS

- Continue to provide for greater flexibility and responsiveness through the maintaining of a suitable reserve of funds.

# Research and Development Program

## OBJECTIVES

- Assist the Board and the industry to provide quality advice to governments on the training needs of the industry.
- To identify emerging issues affecting the training needs of the industry.
- Broaden the involvement of the industry in the CITB's planning processes.
- Provide the CITB and industry with information on the effectiveness of various training programs.
- Influence training developments at a national level.
- Provide support for effective implementation of training.

## STRATEGIES

- Fund rigorous research activities in accordance with Board's objectives.
- Fund course and materials development where these do not exist.
- Establish consultative mechanisms consistent with national developments.
- Employ an Industry Liaison Officer.

## OUTCOMES

- Improved information available to interested parties on skill shortages, training needs, and other relevant issues.
- Greater range of structured training programs.
- Improved input into national advisory committees based on valid research.
- Increased participation in training by eligible workers.

Within this program the CITB operates to provide for three principal information needs, these being;

- ***Developing the CITB Annual Training Plan.*** This plan details how it is intended for the CITB to apply monies collected through the levy applied by the SA Construction Industry Training Fund (CITF) Act 1993.
- ***Providing industry advice and input to government on training needs within the SA building and construction industry.*** This activity revolves around the CITB's role as a principal adviser to the SA Government on training for the SA building and construction industry.
- ***Providing industry advice and input to support the development of nationally consistent training arrangement.*** This activity relates to the contribution the CITB makes to deliberations by the national building and construction industry training advisory body, Construction Training Australia (CTA).

## DEVELOPMENT OF THE CITB 2001/2002 ANNUAL TRAINING PLAN

Throughout the year the CITB operated to work closely with a wide range of industry stakeholders, including the various CITB Sector Standing Sub-committees, to assist in identifying the training needs that existed in the SA building and construction industry. In addition to desk research, the CITB conducted interviews, workshops and focus groups with individuals and enterprises operating throughout the state and in all sectors of the industry.

### ***Review of Performance Against 2000/2001 Annual Training Plan***

The CITB conducted a review of CITB funded training. This included a review and analysis of a selection of participant response forms conducted internally, and an external survey of some 200 past course participants, some three to six months after completion of the training. This research serves to inform the Upskilling and Cross-skilling program.

### ***CITB Strategic Training Plan 2001 - 2003***

In September 2000, the Board updated its Strategic Training Plan (STP) for the period 2001-2003. The STP sets out the broad direction for the CITB such that training meets the longer term needs of the industry. The key objectives identified in the STP were the need to;

- Ensure training outcomes match stakeholder needs;
- Ensure training delivery systems remain accessible, responsive and equitable; and
- Ensure industry and public resources available for the development of skills are effectively utilised.

### **PROVISION OF INDUSTRY TRAINING ADVICE TO THE SA GOVERNMENT**

The SA Minister for Employment and Training retained the CITB as the recognised body responsible as the principal advisor to the SA Government on training for the SA building and construction industry. The CITB also retained its membership of the National Building & Construction Industry Training Council, trading as Construction Training Australia (CTA).

#### ***Industry Training Plan***

In accordance with its contractual obligations to the Minister, the CITB develops each year an industry training plan for the building and construction industry. This plan's principal focus is upon providing advice to government on those areas to which it has recommended public funding be directed during the period in question to support the training of the industry. This Plan complements the CITB's Annual Training Plan, and was submitted in late April 2001.

#### ***Enterprise and Vocational Education Working Group***

The CITB was active in the Enterprise and Vocational Education "Expert Working Group" convened by the Department of Education, Training and Employment in the development of the South Australian Curriculum Standards and Accountability (SACSA) Framework SACSSA framework.

### ***Course Advisory Panels***

During 2000/2001 the CITB participated in advisory panels for the following courses:

- Advanced Building Studies (TAFE SA)
- Certificate 1 in Vocational Education – Plumbing (TAFE SA)
- Pre-vocational course in Signwriting

### ***Submissions***

During 2000/2001 the CITB made formal submissions to the following:

- The review of the South Australian Vocational Education, Employment and Training Act.

In addition, the CITB provided comment to;

- SA Department of Administrative and Information Services (DAIS) on the Review of National Certification Standards;
- SA Department of Education Training and Employment (DETE) on the review of national ITABs; and
- Construction Training Australia (CTA) on "Workforce 2005";

### ***Publications***

During 2000/2001 the CITB produced the following publications;

#### ***Books***

Construction Industry Common  
Safety Induction Course .....ISBN 1 876875 84 4

#### ***Serials***

Building Skills (three issues) .....ISSN 1444 - 0636

Strategic Training  
Plan 2001- 2003 .....ISSN 1325 - 9494

Annual Training  
Plan 2000 - 2001 .....ISSN 1325 - 8508

Annual Report 1999 - 2000 .....ISSN 1444 - 0652

## CONTRIBUTION TO NATIONAL TRAINING ADVISORY ARRANGEMENTS

### *Training Reform*

In its industry advisory role, the CITB participates in national advisory arrangements that are coordinated by Construction Training Australia. During the reporting period, the CITB has undertaken a number of activities to support national training reform, including:

- coordinating the distribution of surveys as part of the review of the Civil Construction and General Construction Training Packages
- consulting with industry stakeholders on alterations to New Apprenticeship arrangements for the Certificate II in Civil Construction
- consulting with industry as part of the development of the Off-Site Construction and Services Training Packages
- reporting to Construction Training Australia on the National Consistency Project
- establishing a General Construction Stream Advisory Committee for South Australia in response to the review of the General Construction Training Package
- developing and distributing a discussion paper on revisions to various level 1 competency standards
- developing and distributing a discussion paper on proposed amendments to plant operations competency standards and changes to the structure of the Civil Construction Training Package

The CITB also assisted the Department of Education, Training and Employment in the development of implementation guidelines for the Off-Site Training Package.

### *National Stream Advisory Arrangements*

As at 30 June 2001 the CITB maintained the following stream advisory committees;

- ***Civil Construction Stream Committee.*** Mr Peter Rusk, Chairman, and Mr John Davison, CITB representative on National Civil Construction Stream Advisory Committee;
- ***General Construction Stream Committee.*** Mr David Fallavollita, Chairman and CITB representative on National General Construction Stream Advisory Committee; and

- ***Services Stream Committee.*** Mr Keith Bleechmore, Chairperson and CITB representative on National Services Stream Advisory Committee.

It is currently considered not necessary to establish an Off-site Stream Advisory Committee.

## INDUSTRY LIAISON

The CITB has continued to ensure it maintains close linkages with the large number of individuals and enterprises that comprise the SA building and construction industry. Whilst Mr Philip Vaughan maintains his appointment as the CITB Industry Liaison Officer, this function has been extended to encompass a wider range of CITB staff.

The CITB website also continues to have its functionality enhanced and will permit those employed in the industry to access a single website which contains up to date information on all training available to the industry, and to record their wish to find out more, or indeed to even register to attend, a specific training course.

## COURSE & RESOURCE DEVELOPMENT

### *Common Safety Induction Course*

The CITB facilitated an industry wide Course Advisory Panel to prepare the Construction Industry Common Safety Induction Course to support the initiatives of WorkCover's Safer Industry Committees for the construction industry. This course has been accredited by the Accreditation and Registration Council until November 2005. The course is being conducted by Registered Training Organisations with the necessary coverage for the construction industry.

### *Induction Video – Adelaide Airport Development*

The CITB funded the development of a video to support the induction of contractors working on the Adelaide Airport development. The video provides contractors with an overview of the environmental and occupational health and safety requirements for this major project.

### *Appraisal Instruments*

The CITB commissioned the development of Appraisal Instruments to support the assessment of individuals against the National Competency Standards for plant operations in the Civil Construction Training Package. The instruments were developed jointly by the University of SA and the Civil Skills Centre.

## Research and Development Program *continued*

### ***Environmental Awareness Project***

The civil sector formed a working party to develop an awareness course because of the impending enforcement of the EPA legislation. The concept is to develop a generic course to give managers, supervisors and leading hands an overall understanding of environmental legislation, standards, codes of practice, the EPA and also environmental management and who to contact.

## **EXTERNAL PROJECT FUNDING**

### ***Framing the Future***

The CITB secured funding from the Framing the Future program for staff development of assessors of plant operations. This project identified a number of strategies to help increase the consistency of assessments against the National Competency Standards for plant operations, including the development of Appraisal Instruments for various plant types.

### ***National On-line Project***

The CITB has been instrumental in the development of on-line learning resources for the General Construction Training Packages. Funding from ANTA, DISR, several building and construction training funds and the CITB has contributed to an innovative, national project that will provide learning resources for anyone who has access to the internet. Learning resources for the dogging, scaffolding, rigging and hoist operation competency standards will be hosted and maintained by the CITB and will be available to anyone seeking to learn more about these various skills. It is hoped that VET in Schools programs will also use the resources as a way of teaching subjects such as mathematics in a workplace context. The resources are scheduled to go on line in November 2001 and will form the basis of an on-line learning hub that is to become a permanent feature of the CITB web site.

### ***Small Business Enterprise Culture Program***

The CITB secured funding from the Commonwealth Department of Employment, Workplace Relations and Small Business to undertake a two year pilot aimed at engaging and supporting female partners of small construction firms in mainstream training activities. The pilot commenced in July 2001 and is being trialed within the plumbing industry, with the expectation that the model will be expanded to other industry groups.

## **FUTURE DIRECTIONS**

- The CITB, through its Research Coordination Panel, is to undertake a comprehensive research strategy to establish an on-going mechanism whereby the impact of the CITB's investment can be measured to identify new and innovative ways to provide for training in the industry, and forecast future skills needs in the industry.
- The CITB will also be examining a means of better monitoring the quality and consistency of training being delivered for the industry in South Australia to ensure outcomes are meeting stakeholder needs.
- The CITB will continue to forge alliances with key learning institutions to foster excellence in training.
- The CITB will continue to work with regional development boards, area consultative committees and local councils and training providers to identify regional training needs.
- The CITB will continue to examine strategies for greater involvement of the local industry in national developments in training reform.

# Access and Equity Program

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## OBJECTIVES

- Enhance skill development opportunities for;
  - women in the industry,
  - those in regional areas,
  - those with special language and literacy needs,
  - Aboriginal and Torres Strait Islander people, and
  - people with disabilities.

## STRATEGIES

- Include access and equity requirements in contracts with training providers.
- Provide supplementary funding for training of identified groups.
- Market the benefits of training directly to identified groups with special needs.
- Seek input from identified groups in CITB planning processes.
- Fund re-training programs for injured workers.

## OUTCOMES

- A minimum of 10% of CITB funded training places delivered to people in the regions.
- Increased participation of individuals and companies in training and particularly in language, literacy and numeracy programs.
- A minimum of 5% of training places taken up by women.
- Increased participation in training by identified groups.

The CITB committed approximately \$124,000 to support the training needs of identified groups. This funding exceeded the amount originally budgeted.

The program is integrated into and supports other funding programs, particularly the Upskilling and Cross-skilling program. It operates through the provision of additional specific funding to support the attendance at training of persons who are within the identified groups.

As a result of this effort during 2000/2001;

- Almost 1,600 (or 10.1%) of those who accessed CITB funding support were resident outside of metropolitan Adelaide.
- Over 1,000 (or 6.6%) of those who accessed CITB funding support were females.
- At least 54 Aboriginal or Torres Strait Islander persons, 23 persons with a self declared physical disability and 183 persons who were non-English speaking accessed CITB funding assistance.

## REGIONAL VISITS AND CONSULTATIONS

The CITB continued to operate an active program of regional visits and consultations. Staff from all sections visited all regions of the state, on at least one occasion, to consult with those individuals and enterprises operating in the building and construction industry.

In addition, the Board has agreed to hold two meetings annually in non-metropolitan regions of the state.

In November 2000 and April 2001, the Board held its monthly meeting at Ceduna and Kingscote respectively, at which local stakeholders in the construction industry were invited to meet with the Board. In addition, the Board held its strategic planning forum in October 2000 in the Barossa Valley region. Largely as a result of the Board's visit to Ceduna, the Spencer Institute of TAFE is now running the Certificate I in Construction for the local indigenous community using resources developed by the CITB.

## Access and Equity Program *continued*

### **Website and On-Line Training**

A principal focus of the CITB's on-line training initiatives has been to provide ready, cost-effective access to training by persons employed in the industry who may be precluded from accessing traditional training services through regional location, or individual personal circumstance. Trialing of the on-line initiatives will be undertaken during 2001/2002, and a report on their success will be included in next years report.

### **WELL Funding**

The CITB continued to contribute to the conduct of the Department of Education, Training and Youth Affairs (DETYA) WELL (Workplace English Language and Literacy) Project. The focus for this project remains predominantly on the civil construction sector of

the industry and is expected to extend into the other sectors during 2001/2002. As at 30 June 2001 26 males and 3 female workers have been assessed under the project, with 17 males and 3 female workers subsequently taking part in WELL training. It is anticipated that during the 12 month term of the project approximately 130 workers will be assessed with up to 100 persons expected to access training support.

### **FUTURE DIRECTIONS**

- Ensure that the CITB continues to operate to be inclusive to all groups and to retain a presence in all regions of the state.



*To further foster the close relationship existing between the Construction Industry Development Board, Malaysia and the CITB, in April a delegation visited Adelaide to discuss opportunities for collaboration. Pictured (from left to right), Dato' Dr Jamaluddin, CIDB Delegates, Mr Chris Michelmore, Director CITB and SA/NT State Director Connell Wagner, Lord Mayor Alfred Huang, Dato' Abdul Rahman, CEO CIDB, and Mr Doug Strain, CEO CITB.*

# Promotion Program

## OBJECTIVES

- Increase the awareness and use of CITB funding programs.
- Promote training and skill enhancement as a means of improving business and personal performance.

## STRATEGIES

- Develop and distribute material using a range of media to inform the industry of the benefits and availability of training.
- Support awards for "Best Practice" in collaboration with industry associations and governments.
- Use computer communication networks to disseminate information about the CITB, its roles, functions and programs.

## OUTCOMES

- Increased profile of the Board's training activities.
- Increased compliance by the industry in levy obligations.
- Increased numbers in industry accessing training through the fund.

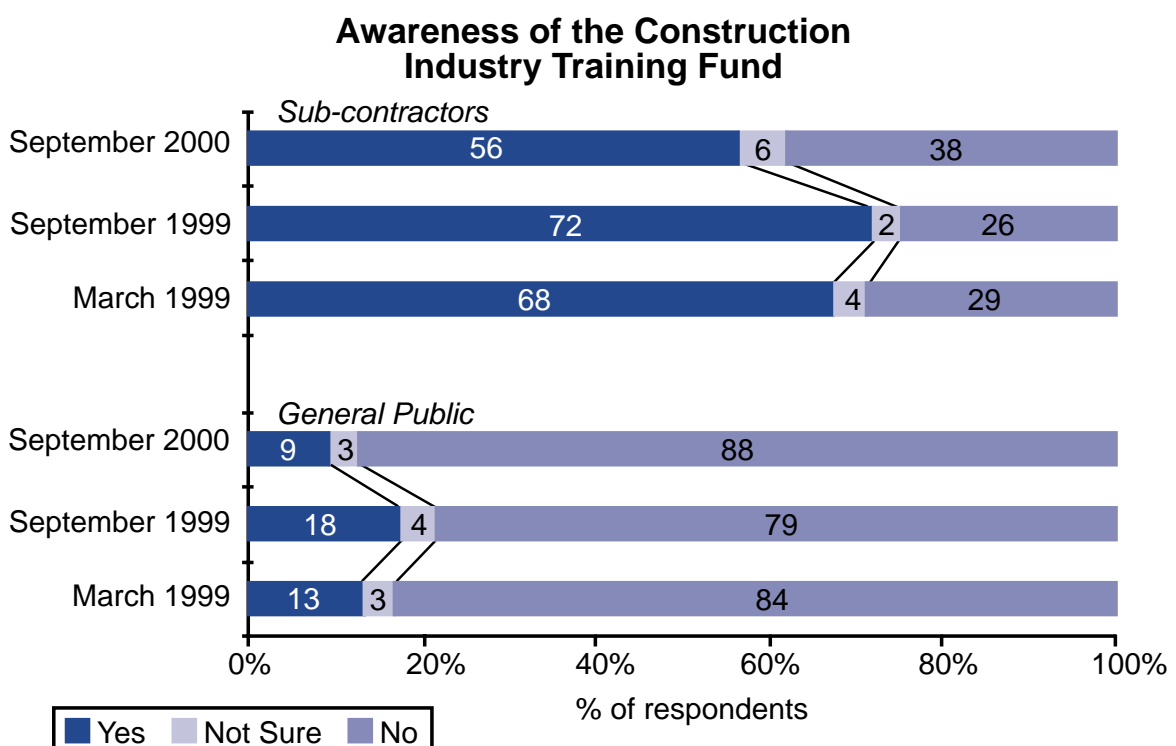
The CITB has continued to operate a promotional strategy with the broad aims to;

- increase the number of persons accessing CITB funded training;
- improve skill levels in the SA building & construction industry through training;
- raise awareness among the SA general community of the CITB and thereby to improve the community's perception of the building & construction industry; and
- maintain a high level of awareness amongst those liable to pay the CITF Levy.

### Awareness Levels

This strategy has been in operation since May 1999, and an assessment of performance is undertaken in September each year. The assessment involves the conduct of a survey of 200 SA licensed builders and a representative sample of the SA general community.

Results of the survey undertaken in September 2000 indicated a significant awareness level amongst sub-contractors operating in the industry of the CITB and the CITF Levy. Awareness amongst members of the SA general public remained low. Unfortunately in both groups a fall in awareness levels had occurred from that which existed in the previous 12 month period.



# Plumbingnews

Master Plumbers Association of South Australia

MAY 2001



## CITB Continues to "Deliver the Goods"

**T**he Construction Industry Training Board continues to go from strength to strength. Over the past three years or so I have published a number of articles about aspects of the CITB and its role in the Building & Construction Industry. But I thought it was about time I gave members a closer look at the organisation that has been instrumental in changing the face of the plumbing industry.

Many, many members have attended MPA training courses over the past three years and have enjoyed an improvement in their level of skill as a result. This improvement in knowledge and skills has given many members an improved ability to increase their level of service and professionalism to their client base. This in turn has helped to improve their bottom line.

By far the vast majority of these courses have been almost entirely funded by the CITB. Impressive isn't it. But what many members would not know is what goes on behind the scenes. And why has the MPA been able to access funding for so many people and so many courses?



Well the answer is really quite simple. It is the people who are the administration at the CITB. From the CEO, Doug Strain (pictured left), all the way along the line to Jasmine who works on the reception desk, the people are there to assist training providers such as the association achieve training outcomes.



The Training Manager, Marcus d'Assumpcao, (pictured left), has put together much of the information contained in this article, and has a very close liaison role with organisations such as the Master Plumbers' Association.



Many of you would have met Philip Vaughan, (pictured left), the CITB Industry Liaison Officer, who visits many building sites around the state gathering information about training needs and promoting the CITB.

To give you a better understanding of the CITB and its activities I have reproduced some information here courtesy of the CITB. Firstly I thought it appropriate to inform you of exactly who is on the Board, so here they are.

### Board Membership as at 30 June 2000.

**RICHARD MCKAY** FAB FNOB, Director, The Adelaide Bank Ltd, Director Bridgestone Ltd, Chairman Martindale Holdings Pty Ltd, Director, Motor Accident Commission and Director Masonic Homes Inc.

**SUSAN FRAZER** B Ed, Dip Dent Hyg, Dip Tech & Fur Educ, Grad Cert in Mngt., Currently Deputy Chairperson of the Accreditation Registration Council. (Deputy - Ms Carol Ward).

**MARTIN O'MALLEY** Secretary of the CFMEU and ABCWF. (Deputy - Mr Ben Carslake).

**CHRISTOPHER MICHELMORE** FIEAust, MIKE, CPEng, Chartered Engineer, Director Connell Wagner Pty Ltd, consulting engineers and managers, Chairman Uni Fund Committee, University of South Australia. (Deputy - Mr Peter Harland).

**ROBERT STEWART** MNA MABCO, Chief Executive Officer Master Builders

(Continued on Page 10)

## IN THIS ISSUE

CONSUMER & BUSINESS AFFAIRS....What do you get?

WORKCOVER....."Safe Work" Awards

QUEENSLAND MPA.....Building Site Blitz

TECHNICAL TALK .....From Matt Minigall

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Available at member rates  
**OH&S Regulations**  
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## Promotion Program *continued*

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There also remained some confusion about the role played by the CITB, with many sub-contractors again mis-identifying the source of funding for training they had received and being unaware of the funding support the CITB provided to support the training of apprentices and trainees.

In response to these findings the CITB initiated a range of activities aimed to better "brand" the CITB and to ensure greater recognition was afforded the CITB by those organisations receiving CITB funding assistance. The impact of these efforts will be reported on in next year's annual report.

### ***Other Activities***

The CITB also has operated a range of other activities to support the above stated promotional aims. These have included sponsorship of the following industry activities;

- Workskills SA;
- Building Trades Awards of Excellence;
- Master Painters Decorators & Signwriters Association of SA Apprenticeship Awards;
- Housing Industry Association, SA Region, Apprenticeship Awards.

The CITB also maintains membership with;

- the Committee for the Economic Development of Australia (CEDA); and
- the SA Centre for Economic Studies.

### **FUTURE DIRECTIONS**

- Continue to review and modify the promotional strategy to support the stated aims.
- Implement cost effective promotions activities to encourage increased uptake of training
- In all promotional activity, emphasise the building and construction industry as a positive and rewarding career option for young people.

# Governance, Finance & Administration Program

## OBJECTIVES

- Monitor the performance of the fund.
- Ensure the Board and the fund are administered in accordance with the CITF Act and other relevant legislation.
- Ensure compliance with the requirements to pay the levy.
- Maximise the effective use of the fund.
- Maximise the efficiency of administration.
- Establish qualitative and quantitative measures by which to assess the effectiveness of training.

## STRATEGIES

- Analyse the course evaluation forms of participants for reporting purposes.
- Continued refinement of internal administrative procedures.
- Conduct quality audits of CITB funded training.

## OUTCOMES

- Quarterly reports are provided to the Board and the Sectors on the progress towards sector targets.
- Half yearly reports on the effectiveness of the various training programs.
- Compliance by the industry to the satisfaction of the Board.
- Unqualified audit opinion by Auditor General.
- Total cost of this program not to exceed 11% of budgeted expenditure.
- Increased levels of satisfaction in training outcomes from participants and enterprises.

In 2000/2001 the CITB expended \$981,000 on the Governance, Finance and Administration of the CITB and the SA CITF Act. This figure represents approximately;

- 10.6% of budgeted CITB expenditure;
- 13.1% of actual CITB expenditure; and
- 13.3% of total income received by the CITB.

The proportion expended was within the original target set.

## GOVERNANCE

### *CITB 1999/2000 Annual Report*

As required by the SA CITF Act, the CITB 1999/2000 Annual Report was presented to the Minister for Training and Employment in September 2000 and subsequently tabled in both houses of the SA Parliament. The Report was also published on the CITB website.

### *CITB 2001/2002 Annual Training Plan*

The CITB 2001/2002 Annual Training Plan was forwarded to the Minister for Training and Employment in February 2001. The Minister's approval for the adoption of the Plan was given on 10 May 2001. This Plan provides for the expenditure of over \$9.825 million on training and skills development for the SA building and construction industry.

# E-BUSINESS AND THE CITB

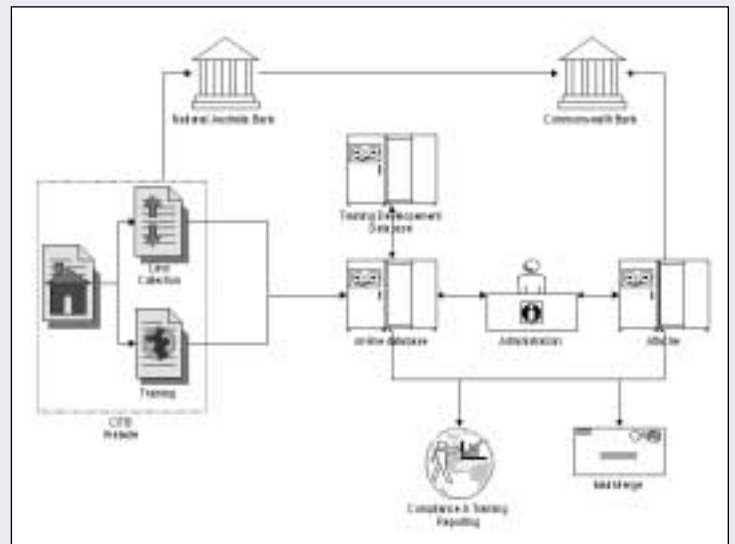
The financial year 2000/01 saw the implementation of the first critical stages of the CITB's e-business strategy. This strategy will see the CITB move towards a fully automated and information rich business environment.

By late 1999, the Board of the CITB had identified that the need to efficiently and effectively access information was critical to the achieving of the outcomes sought through the CITB's operations. The CITB's processes at that time were highly geared around labour extensive, and time demanding manual processes. It became clearly evident that a need existed for the CITB to adopt e-business to support the integration of the front & back end systems to create a seamless, automated procedure for gathering and storing information as well as the development of the infrastructure for the CITB's training knowledge base.

The CITB has adopted effective change management processes to ensure that the new e-business environment received input and support from all key stakeholders.



*Mrs Lucille Gramazio, CITB Administrative Assistant, demonstrating aspects of the CITB E-Business Strategy.*



## E-BUSINESS PARTNERS

In establishing our E-Business facility the CITB has operated with a range of specialist partners. These include:



## THE FUTURE

In July 2001 the CITB will initiate the full scale trial of the LaTAS system, including the marketing to all stakeholders of its functionality.

This will include the widespread uptake by all stakeholders of the ID numbering facility required to permit automated processing, and improve CITB operating efficiencies. It will also include marketing to increase the uptake of the on-line CITF levy payment facility with the expected outcome by 30 June 2002 20% of such payment will be made using the on-line facility.

The CITB remains committed to ensuring process of continuous improvement within the e-business environment, and maximising the service available to all stakeholders.

## Governance, Finance & Administration Program *continued*

### **Planning**

The Board of the CITB operates an annual planning cycle. For 2001/2002 this commenced with the conduct of a Strategic Planning Forum attended by most Board Members held in the Barossa Valley from 28 to 30 September 2000. As a consequence a Strategic Plan and Business Plan were developed and applied. The next Strategic Planning Forum is to be held in October 2001.

### **Risk Statement and Strategy**

The Board of the CITB remains committed to ensuring it manages the risks associated with the CITB's operations through the maintenance of a comprehensive policy and strategy.

### **Legal Advice**

During 2000/2001 the CITB continued to utilise the Office of SA Crown Law, and Norman Waterhouse Solicitors for its legal advice.

### **Auditors**

The SA Auditor-General remained as the Auditors for the CITB. The scope of the audit undertaken included a review of the CITB's operations to ensure its effectiveness and efficiency.

### **Review of the SA CITF Act 1993**

During this period all action relating to the statutory review required to the SA CITF Act 1993 was concluded, with an Amendment Bill introduced to the SA Parliament in October 2000. This Bill, with some amendments, was passed by both houses of the SA Parliament in November 2000, and an Amendment Act was assented to by the Governor of SA in Executive Council in December 2000.

### **Equity**

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

### **Occupational Health, Safety and Welfare (OHS&W)**

During the period no workplace injury or illnesses were reported. As at 30 June 2001 Mr Philip Vaughan remained as the CITB OHS&W Representative, and two staff members were qualified First Aiders.

### **Overseas Travel**

During the period the staff from the CITB undertook the following overseas travel;

<b>Employee</b>	<b>Destination</b>	<b>Reason for Travel</b>	<b>Cost</b>
CEO	Wellington, New Zealand	Attend strategic planning forum with Construction Training Australia.	\$96
CEO	Kuala Lumpur, Malaysia	Participate in SA Government Trade Mission. Principal focus was discussions with Construction Industry Development Board, Malaysia.	\$3,157

### **Quality**

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

### **Compliance Audit Program**

In its role of administering the SA CITF Act 1993 and to fulfil its responsibility to ensure that all CITF levies due are in fact collected, the Board of the CITB maintained the operation of a Levy Compliance Audit Program. This program is contracted out to Moore Stephens Priestley & Morris Pty Ltd. Under this program 63 audits were conducted in 2000/2001.

### ***Fines and Penalties***

During the period the Board of the CITB did not impose any fines.

### ***Sector Standing Sub-Committees and Working Party***

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

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

In addition, the CITB also supported the operation of the Specialist Services Working Party.

As foreshadowed in last year's report, during 2000/2001 the CITB commissioned a review of the operations of the CITB sector advisory committees. The review identified continued widespread support for the operation of these committees, and recommended a range of changes to their meeting protocols and membership in an endeavour to foster greater cross-sectoral cooperation. These changes were subsequently implemented to take effect from 1 July 2001.

The review resulted in the confirmation of the membership of the committees and established new meeting arrangements to facilitate greater cross-sectoral cooperation.

### ***Environmental Issues***

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

### ***Australian Forum of Construction Industry Training Funds(AFCITF)***

The CITB is a participant of the Australian Forum of Construction Industry Training Funds, whose members comprise all those organisations which operate industry-based training funds for the building

and construction industry. Currently these operate in South Australia, Western Australia, Queensland, Tasmania, and the Australian Capital Territory.

The CITB representatives are the Presiding Member and the Chief Executive Officer. The forum met on three occasions during 2000/2001.

## **FINANCE**

### ***Financial Result***

In 2000/2001 the CITB's total income was \$7.351 Million. This represents a decrease of 23.3% on the total income for 1999/2000. The CITB Annual Financial Statements for the period 1 July 2000 to 30 June 2001 are attached as Appendix 4.

### ***CITF Levy Income***

In 2000/2001 direct CITF Levy income was \$6.712 Million. This represents a 25.3% decrease on the direct CITF Levy income received for 1999/2000. This decrease is principally due to the fall in building activity that followed the introduction of the New Taxation Arrangements, the effect of which was exacerbated by the surge in activity which preceded their introduction. It is anticipated this level of CITF Levy income is more reflective of what will be the annual on-going amount.

### ***Financial Reserve***

During the period the Board maintained its Reserves Policy. This policy requires the CITB to maintain a Training Reserve, which is reflected in the Annual Training Plan, and a Strategic Reserve, which is to be 25% of the following year's budgeted net Levy income. For 2000/2001 this was \$1.718 Million.

### ***Collection Agents***

As at 30 June 2001, the CITB had approved, in accordance with Section 19 of the SA CITF Act 1993, 62 collection agents, comprising mainly Local Government Authorities. During the period a total of approximately \$61,000 was paid to collection agencies. This figure represents approximately 6% of the total administrative costs incurred by the CITB.

### PERSONNEL

#### *Staffing*

As at 30 June 2001, the CITB employed 12.4 Full-time Equivalent (FTE) staff. This comprised 4 staff on contracts of employment and 9 who are engaged under the terms of the CITB Enterprise Agreement 2000. In addition, the CITB employed an Office Administration Trainee on a full-time basis from Maxima Group Training, and action was in hand to engage one additional staff member to a vacancy.

#### *Employment Conditions*

In mid 2001 the Board of the CITB expressed its intent to seek to extend the CITB Enterprise Agreement beyond 2002. Discussion will be initiated in this endeavour.

#### *Training*

During the period the CITB spent \$21,534, which represents approximately 3% of the wages and salaries paid to staff, on formal staff training. The CITB operates an active policy to encourage staff to improve their skills. During 2000/2001 the CITB supported two staff undertaking tertiary studies toward the award of a Masters of Business Administration. In addition, staff attended short training courses in a range of general administrative, computing and OH&S subjects.

### ADMINISTRATION

#### *Information Technology*

Throughout the period of this report the CITB operated a 15 Terminal Local Area Network. The CITB has also reviewed its IT Strategic Plan and as a part of this undertook further development of its web-site.

#### *Accommodation*

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

### FUTURE DIRECTIONS

- Continue to exercise prudent management and superior governance in the management of the CITB
- Undertake a wholesale trial of LaTAS and E-Business arrangements.
- Continue to;
  - minimise the costs of administering the CITF Act 1993,
  - provide a safe, efficient and supportive work environment, and
  - provide superior customer service.
- Continue to investigate alternate funding sources with a view to meeting all administrative costs through non-CITF Levy income.
- Support the establishing of stronger links with other state and territory building and construction industry training funds.

# Appendices

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- 1 CITB Training Program 2000/2001 – Outcomes
- 2 CITB Advisory Committees
- 3 Organisational Chart
- 4 CITB Financial Statements 2000/2001

# CITB Training Program 2000/2001 - Outcomes

	<i>Housing</i>	<i>Commercial</i>	<i>Civil</i>	<i>Total</i>
<b>COMPUTER TRAINING</b>				
Computer Skills	562	599	24	1185
<i>Sub-total</i>				1185
<b>ELECTRICAL TRAINING</b>				
Air Conditioning	1	15	0	16
General Electrical Training	227	621	37	885
Teledata Cabling Licence & Endorsements	54	209	25	288
<i>Sub-total</i>				1189
<b>FINANCIAL &amp; BUSINESS MANAGEMENT &amp; OFFICE RELATED TRAINING</b>				
Accounting & Book Keeping Skills	191	25	4	220
Contract Skills	112	71	14	197
Customer Service & Marketing related training	7	9	2	18
Management Skills	143	196	80	419
Supervision and Leadership	470	64	1	535
<i>Sub-total</i>				1389
<b>GENERAL CONSTRUCTION</b>				
Asbestos	25	140	90	255
Assorted Tiling Programs	73	13	1	87
Concreting	22	3	14	39
Dogging	8	183	166	357
Load Slinging	1	9	35	45
Painting	62	14	3	79
Pipe Laying	0	0	56	56
Plastering	47	10	0	57
Plumbing Services	229	212	1	442
Rail Maintenance	0	0	14	14
Rigging	2	100	38	140
Road and Pavement	0	0	0	0
Scaffolding	43	71	13	127
Steel Fixing	0	0	0	0
Steel Framing	52	15	2	69
Trenching and Shoring	18	1	181	200
Welding and Thermal Cutting	0	1	0	1
Workplace Training	9	12	6	27
<i>Sub-total</i>				1995
<b>MACHINE OPERATION</b>				
Crane operations	8	60	82	150
Elevated Work Platform	120	543	90	753
Forklift operations	33	267	86	386
Plant Operations	31	62	391	484
Vehicle Operations & Licences	31	65	207	303
<i>Sub-total</i>				2076
<b>OCCUPATION HEALTH AND SAFETY</b>				
Confined Space	5	247	344	596
Drug and Alcohol	140	175	11	326
First Aid	282	614	108	1004
OHS related Training	94	756	247	1097
Workzone Traffic Management	5	102	1095	1202
Manual Handling	0	49	77	126
<i>Sub-total</i>				4351
<b>PLANNING AND DESIGN</b>				
Estimating	49	6	29	84
General Laser Operations and Surveying	0	1	35	36
<i>Sub-total</i>				120
<b>OTHER</b>				
Environmental Training	0	0	34	34
Legislation, Standards and Codes	876	167	19	1062
Other Training Consistent with the ATP	591	1169	329	2089
<i>Sub-total</i>				3185
<b>TOTALS</b>	<b>4623</b>	<b>6876</b>	<b>3991</b>	<b>15490</b>

# CITB Advisory Committees *as at 30 June 2001*

## CITB HOUSING SECTOR STANDING SUB-COMMITTEE

<b>Name</b>	<b>Employer</b>
John Hounslow (Chair)	Origin Energy
Bill Beattie	Master Builders Association of South Australia Inc.
Aaron Cartledge	CFMEU
Winifred Hughes	Master Builders Association of South Australia Inc.
Larry Moore	National Electrical and Communications Association SA Chapter
Bob Osborne	Civil Contractors Federation SA
Terry Reeves	The Master Plumbers & Mechanical Services Association Of SA Inc.
Gary Simpson	Housing Industry Association

## CITB COMMERCIAL SECTORS STANDING SUB-COMMITTEE

<b>Name</b>	<b>Employer</b>
Keith Bleechmore (Chair)	Air Conditioning and Mechanical Contractors Association
Bernie Biggs	The Association of Wall and Ceiling Industries of SA
Michael England	Master Painters, Decorators & Signwriters Association of SA Inc.
Harry Ennis	Construction Industry Training Centre Inc
Bill Beattie	Master Builders Association of South Australia Inc.
Terry Reeves	The Master Plumbers & Mechanical Services Association Of SA Inc.
Zita Vafiopoulous	Group Training Australia

## CITB CIVIL SECTOR STANDING SUB-COMMITTEE

*(Also serves as the CITB Civil Construction Stream Committee)*

<b>Name</b>	<b>Employer</b>
Peter Rusk (Chair)	Bardavcol Pty Ltd
Geoffrey Allan	Fyfe Surveyors Pty Ltd
Bill Beattie	Master Builders Association of South Australia Inc.
Keith Bleechmore	Air Conditioning and Mechanical Contractors Association
Victoria Minenko	Local Government Association of SA
Barry Hosking	CSR Emoleum
Michael Quinn	Renfrey Excavations
John Davison	J. D. Davison Nominees
Trevor Trewartha	Australian Workers Union

## CITB SPECIALIST SERVICES WORKING PARTY

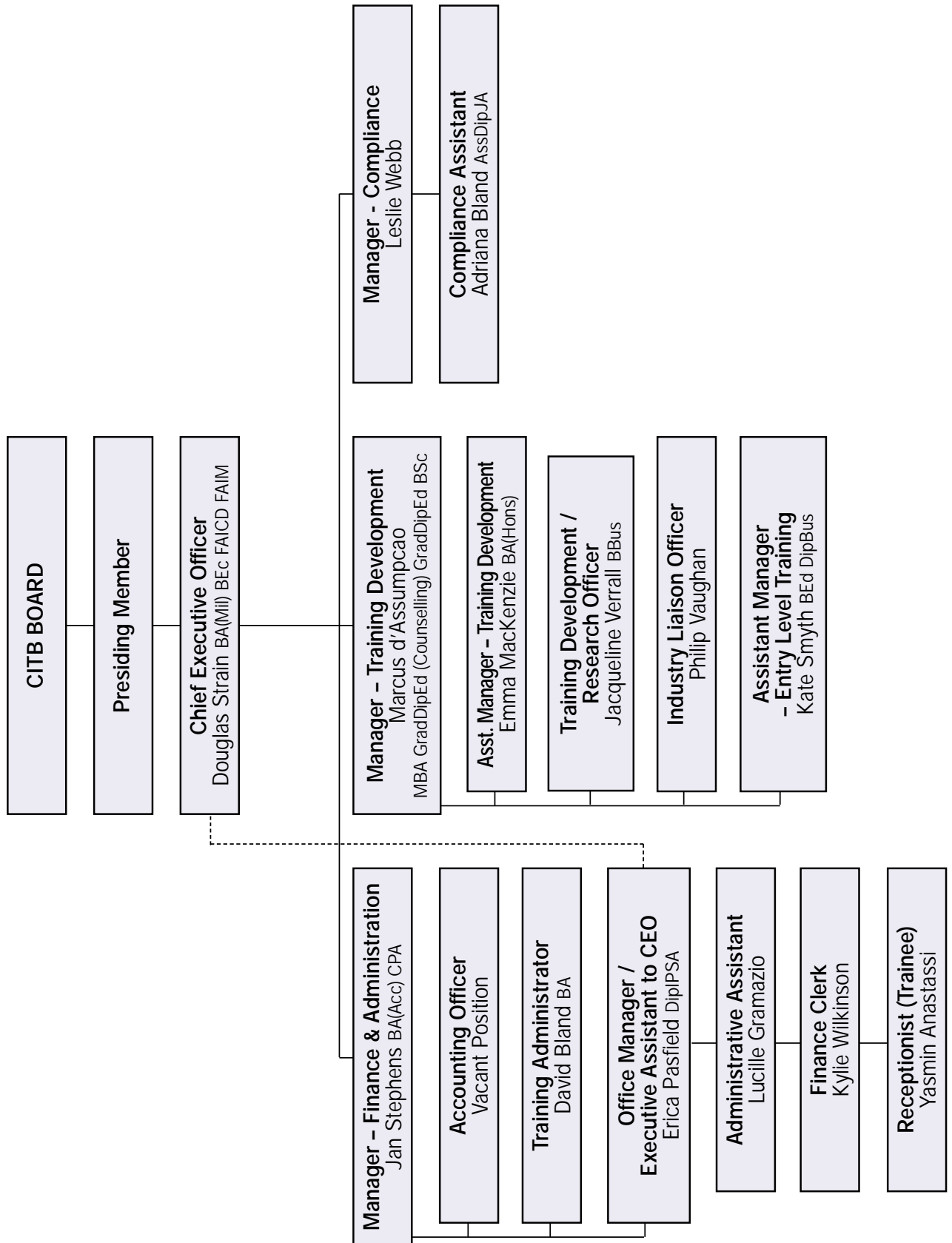
*(Also serves as the CITB Services Stream Committee)*

<b>Name</b>	<b>Employer</b>
Keith Bleechmore (Chair)	Air Conditioning and Mechanical Contractors Association
Michael Boyce	Fire Fighting Enterprises
Robert Geraghty	CEPU - Electrical Division
Larry Moore	National Electrical & Communications Association SA Chapter
Terry Reeves	The Master Plumbers & Mechanical Services Association Of SA Inc.
Brett Wright	Refrigeration & Air Conditioning Contractors Association of SA

## CITB GENERAL CONSTRUCTION STREAM COMMITTEE

<b>Name</b>	<b>Organisation</b>
David Fallavollita (Chair)	Build-Tec Services Pty Ltd
Bill Beattie	Master Builders Association of South Australia Inc.
Bernie Biggs	The Association of Wall and Ceiling Industries of SA
Steve Cheney	Cox Constructions Pty Ltd
Mike England	Master Painters, Decorators & Signwriters Association of SA Inc.
Harry Ennis	CFMEU
Winifred Hughes	Master Builders Association of South Australia Inc.
Alan Lindner	Douglas Mawson Institute of TAFE
Gary Simpson	Housing Industry Association
Murray Smith	Douglas Mawson Institute of TAFE
Paul Thompson	Marshall Thompson Homes

# CITB Organisational Chart as at 30 June 2001



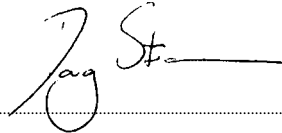
# CITB Financial Statements 2000/2001

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

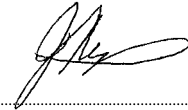
To the best of our knowledge and belief, the internal controls over financial reporting have been effective throughout the reporting period and the attached Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Notes To and Forming Part Of The Financial Statements, give a true and fair view of the results of operations and the financial position of the South Australian Construction Industry Training Board for the financial year ended 30 June 2001.



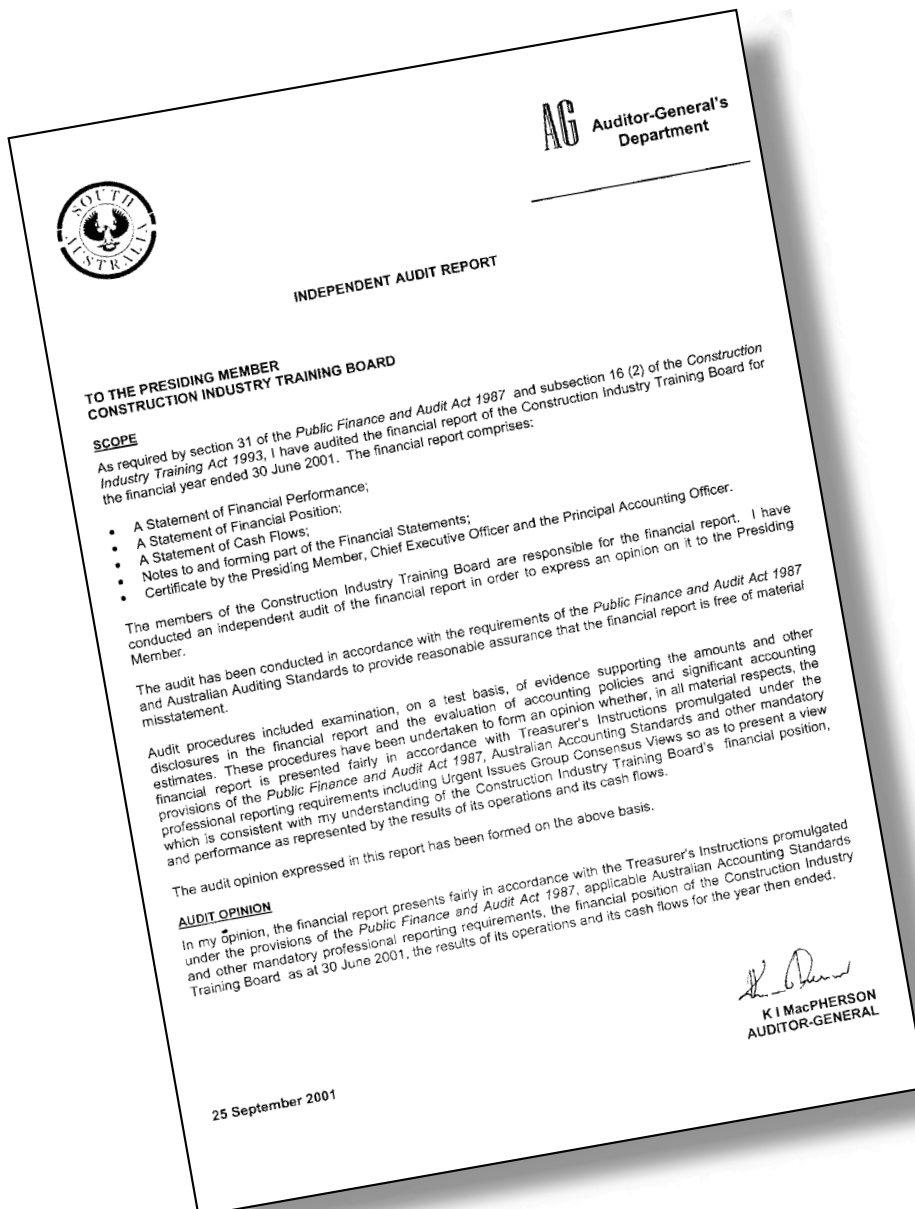
**RICHARD J. MCKAY**  
Presiding Member



**DOUGLAS D. STRAIN**  
Chief Executive Officer



**JAN STEPHENS**  
Finance Manager  
(Principal Accounting Officer)



# CITB Statement of Financial Performance *for the year end 30 June 2001*

	HOUSING SECTOR 2001 \$'000	COMMERCIAL SECTOR 2001 \$'000	CIVIL SECTOR 2001 \$'000	OTHER 2001 \$'000	TOTAL 2001 \$'000	TOTAL 2000 \$'000
<b>REVENUES FROM ORDINARY ACTIVITIES</b>						
Industry levies	2,753	2,497	1,462	0	6,712	8,991
Interest on deposits	179	160	80	2	421	386
Grants	0	0	0	134	134	118
Fines	0	0	0	0	0	7
Proceeds from disposal of assets <i>Note 3(a)</i>	21	18	9	0	48	83
Other	15	14	7	0	36	(1)
<b>Total Revenues from ordinary activities</b>	<b>2,968</b>	<b>2,689</b>	<b>1,558</b>	<b>136</b>	<b>7,351</b>	<b>9,584</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>						
<b>Administration</b>						
Salaries and related payments	180	162	81	0	423	495
Collection Agents fees	51	7	3	0	61	83
Depreciation <i>Note 4(a)</i>	46	41	21	0	108	47
Occupancy	25	22	11	0	58	42
Special projects	0	0	0	0	0	32
Other	141	126	64	0	331	348
<b>Total Administration Expenses</b>	<b>443</b>	<b>358</b>	<b>180</b>	<b>0</b>	<b>981</b>	<b>1,047</b>
<b>TRAINING RESEARCH ACCESS AND EQUITY EXPENSES</b>						
Salaries and related payments	92	77	59	0	228	132
Promotion	86	67	51	0	204	315
Training claims <i>Note 4(b)</i>	2,585	2,284	807	0	5,676	5,813
Other	25	24	12	0	61	35
Research	4	4	42	0	50	74
Access and equity	28	28	68	0	124	110
<b>Total Training Research Access and Equity Expenses</b>	<b>2,820</b>	<b>2,484</b>	<b>1,039</b>	<b>0</b>	<b>6,343</b>	<b>6,479</b>
<b>GRANT EXPENSES</b>						
Salaries and related payments	0	0	0	120	120	78
Depreciation <i>Note 4(a)</i>	0	0	0	16	16	7
Promotion and occupancy	0	0	0	10	10	9
Other	0	0	0	35	35	53
<b>Total Grant Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>181</b>	<b>181</b>	<b>147</b>
<b>Total expenses from ordinary activities</b>	<b>3,263</b>	<b>2,842</b>	<b>1,219</b>	<b>181</b>	<b>7,505</b>	<b>7,673</b>
<b>NET OPERATING SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>	<b>(295)</b>	<b>(153)</b>	<b>339</b>	<b>(45)</b>	<b>(154)</b>	<b>1,911</b>
<b>Total changes in equity other than those resulting from transactions with the State Government as owner <i>Note 17</i></b>	<b>(295)</b>	<b>(153)</b>	<b>339</b>	<b>(45)</b>	<b>(154)</b>	<b>1,911</b>

# Statement of Financial Position *as at 30 June 2001*

	Note	2001 \$'000	2000 \$'000
<b>CURRENT ASSETS</b>			
Cash assets		345	40
Receivables	5	654	491
Investments	6	6,463	7,303
<i>Total Current Assets</i>		<b>7,462</b>	<b>7,834</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7(a),7(b)	502	301
<i>Total Non-Current Assets</i>		<b>502</b>	<b>301</b>
<i>Total Assets</i>		<b>7,964</b>	<b>8,135</b>
<b>CURRENT LIABILITIES</b>			
Training expenditure approved but not yet paid	8	663	746
Payables		146	133
Employee entitlements and related provisions	9	107	55
<i>Total Current Liabilities</i>		<b>916</b>	<b>934</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee entitlements and related provisions	10	14	13
<i>Total Non-Current Liabilities</i>		<b>14</b>	<b>13</b>
<i>Total Liabilities</i>		<b>930</b>	<b>947</b>
<b>NET ASSETS</b>		<b>7,034</b>	<b>7,188</b>
<b>ACCUMULATED FUNDS</b>			
Reserve	17	1,718	1,720
Accumulated funds	17	5,316	5,468
<b>TOTAL ACCUMULATED FUNDS</b>		<b>7,034</b>	<b>7,188</b>
Commitments	11		

# Statement of Cash Flows *for the year ended 30 June 2001*

	Note	2001 \$'000 Inflows (Outflows)	2000 \$'000 Inflows (Outflows)
<b>OPERATING ACTIVITIES</b>			
<b>Receipts:</b>			
Industry training levies		6,631	8,926
Interest received		27	32
Other		48	2
Grant from Government		137	118
GST refund from the ATO		459	-
<i>Total cash received</i>		<b>7,302</b>	<b>9,078</b>
<b>Payments:</b>			
Payments to employees and suppliers		(1,471)	(1,450)
Training, access and equity expenditure		(6,266)	(5,921)
Grants		(168)	(140)
<i>Total cash used</i>		<b>(7,905)</b>	<b>(7,511)</b>
<i>Net Cash (used in) provided by Operating Activities</i>	18.2	<b>(603)</b>	<b>1,567</b>
<b>INVESTING ACTIVITIES</b>			
<b>Receipts:</b>			
Proceeds from sale of commercial bills		0	17,018
Proceeds from term deposits		39,465	12,395
Proceeds from sale of plant and equipment		48	83
<i>Total cash received</i>		<b>39,513</b>	<b>29,496</b>
<b>Payments:</b>			
Payment for commercial bills		0	(11,820)
Payment for term deposits		(38,217)	(19,577)
Payment for plant and equipment		(388)	(263)
<i>Total cash used</i>		<b>(38,605)</b>	<b>(31,660)</b>
<i>Net Cash provided by (used in) investing activities</i>		<b>908</b>	<b>(2,164)</b>
<i>Net increase (decrease) in cash held</i>		<b>305</b>	<b>(597)</b>
<b>CASH AT 1 JULY</b>		<b>40</b>	<b>637</b>
<b>CASH AT 30 JUNE</b>	18.1	<b>345</b>	<b>40</b>

# CITB Notes to and Forming Part of the Financial Statements

## 1. GENERAL

### 1.1 Objectives of the CITB

The Board's responsibilities include:

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

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

## 2. SUMMARY OF ACCOUNTING POLICIES

### 2.1 General System of Accounting Underlying the Financial Statements

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

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

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

### 2.3 Income Recognition

Industry levies are recognised as income when the Board obtains control of the levies. Control is normally obtained upon their receipt by the Board or its collection agents.

Interest income is recognised as it accrues.

Grant monies for specific projects are recognised as revenue in the financial year when monies are received, in accordance with Department of Treasury and Finance Accounting Policy Statement APS 11 'Contributions'. However, where specific conditions relating to the grant are not met and the amount is required to be repaid, a liability is recognised in the Statement of Financial Position as a result of a present obligation arising to the grantor.

### 2.3 Depreciation

Depreciation of assets is calculated on a straight-line basis for each class of depreciable asset so as to write off the cost of the asset over its expected useful life. The depreciation rates used for each class of depreciable asset are set out as follows:-

- furniture and fittings  
20 percent and 12.5 percent
- computer equipment  
25 percent
- office machines  
20 percent
- motor vehicles  
15 percent

### 2.4 Recoverable Amount of Non-Current Assets

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

## 2.5 *Income Tax*

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

## 2.6 *Employee Entitlements*

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

### *Annual Leave*

Provision has been made for the unused component of annual leave at balance date. The provision has been calculated at nominal amounts based on current salary rates and includes an allocation of relevant on-costs.

### *Sick Leave*

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

### *Long Service Leave*

In calculating long service leave entitlements the Board has used a benchmark of five years as it more accurately reflects the long service leave liability. Related on-costs are reported as accrued expenses.

### *Superannuation*

The Board has contributed 8 percent of employees' base salary into a prescribed superannuation fund. This amount represents the Board's full liability for superannuation for the year.

## 2.7 *Creditors and Accrued Expenses*

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

## 2.8 *Leases*

The Board leases premises and equipment for its administrative and operating activities. The leases are classified as non-cancellable operating leases and lease payments are included as expenditure in equal instalments over the accounting periods covered by the respective lease terms.

## 2.9 *Accrued Levy Income*

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

## 2.10 *Training Expenditure Approved But Not Yet Paid*

Training expenses are recognised as an expense in the financial year that the expenditure was approved. The balance of unexpended training approval is included in the Statement of Financial Position as 'Training Expenditure Approved But Not Yet Paid'.

## 2.11 *Sector Allocation of Income and Expenditure*

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

- interest income
- other income
- salaries and related payments
- depreciation
- gain on disposal of non-current assets
- promotion and occupancy costs
- other administration costs

Industry levy income, collection agents fees, sector administration fees and training and access & equity expenditures have been allocated between sectors based on actual amounts received/incurred for that sector.

### **2.12 Receivables**

Receivables in respect of accrued levy income and debtors are due for settlement within 30 days and are recorded at their recoverable amount. At the end of each reporting period the receivable balances are reviewed and a provision is raised in respect of any balance where recovery is considered doubtful.

### **2.13 Investments**

Investments represent investments in term deposits. Interest income is brought to account on an accruals basis.

### **2.14 Accounting for the Goods and Services Tax (GST)**

In accordance with the requirements of UIG31 Accounting for the Goods and Services Tax (GST), revenues, expenses and assets are recognised net of the amount of GST except that:

- The amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

The net GST receivable /payable to the Australian Taxation Office has been recognised as a receivable/payable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing activities, which are recoverable from or payable to, the Australian Taxation Office have however been classified as operating cash flows.

### **2.15 Reclassification of financial information**

As a result of applying AAS1 "Statement of Financial Performance" and AAS36 'Statement of Financial Position', the format of the Statement of Financial Performance (previously referred to as the Operating Statement) and the Statement of Financial Position have been amended. As a result of applying these Accounting Standards, a number of comparative amounts were represented or reclassified to ensure comparability with the current reporting period.

## CITB Notes to and Forming Part of the Financial Statements *continued*

### 3. OPERATING REVENUES

<i>(a) Proceeds and Expenses from Sale of Assets</i>	<i>2001</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>
Non-financial assets - Plant and equipment		
Revenue (proceeds) from sale	48	83
Expense from sale	43	67
	<u>5</u>	<u>16</u>

### 4. OPERATING EXPENSES

#### *(a) Depreciation*

The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset are as follows:

	<i>2001</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>
Furniture and fittings	5	6
Computer equipment	100	31
Office machines	4	3
Motor vehicles	15	14
<b>Total</b>	<u>124</u>	<u>54</u>

#### *(b) Write Back of Training Contract Amounts*

	<i>2001</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>
Write back of training expenses	9	225

### 5. CURRENT RECEIVABLES

*The receivables due to the Board at balance date comprise:*

	<i>2001</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>
Accrued levy income	444	423
Accrued interest	21	35
Prepayments	6	18
Trade debtors	41	0
Less: Provision for doubtful debts	<u>1</u>	8
Sundry debtors	6	7
GST Receivables	137	0
<b>Total Current Receivables</b>	<u>654</u>	<u>491</u>

### 6. CURRENT INVESTMENTS

*The investments of the Board at balance date comprise:*

	<i>2001</i>	<i>2000</i>
	<i>\$'000</i>	<i>\$'000</i>
National Australia Bank Term Deposits	6,463	7,303
<b>Total Current Investments</b>	<u>6,463</u>	<u>7,303</u>

## CITB Notes to and Forming Part of the Financial Statements *continued*

### 7. PROPERTY, PLANT AND EQUIPMENT

<i>(a) Plant and equipment:</i>	\$'000	2001 \$'000	2000 \$'000
Furniture and fittings at cost	66		
Less: Accumulated depreciation	49	17	16
Computer equipment at cost	609		
Less: Accumulated depreciation	234	375	177
Office machines at cost	27		
Less: Accumulated depreciation	14	13	15
Motor vehicles at cost	108		
Less: Accumulated depreciation	11	97	93
<b>Total Plant and Equipment</b>		<b>502</b>	<b>301</b>

#### *(b) Analysis of Plant and Equipment:*

	Furniture and fittings \$'000	Computer equipment \$'000	Office machines \$'000	Motor vehicles \$'000	Total 2001 \$'000
Gross Value at 1 July 2000	60	311	25	100	496
Additions-Purchase of assets	6	298	2	63	369
Write-offs	0	0	0	0	0
Disposals	0	0	0	(55)	(55)
<b>Gross value at 30 June 2001</b>	<b>66</b>	<b>609</b>	<b>27</b>	<b>108</b>	<b>810</b>
Accumulated depreciation as at 30 June 2000	44	134	10	7	195
Disposals	0	0	0	(11)	(11)
Depreciation charge for the year	5	100	4	15	124
Write-offs	0	0	0	0	0
Accumulated depreciation at 30 June 2001	49	234	14	11	308
<b>Net book value as at 30 June 2001</b>	<b>17</b>	<b>375</b>	<b>13</b>	<b>97</b>	<b>502</b>
<b>Net book value as at 1 July 2000</b>	<b>16</b>	<b>177</b>	<b>15</b>	<b>93</b>	<b>301</b>

### 8. TRAINING EXPENDITURE APPROVED BUT NOT YET PAID

	2001 \$'000	2000 \$'000
Housing sector	305	376
Commercial sector	252	229
Civil sector	106	141
	<b>663</b>	<b>746</b>

### 9. CURRENT PROVISION

	2001 \$'000	2000 \$'000
<i>Provision for Employee Entitlements:</i>		
Long Service Leave	69	20
Annual leave	38	35
	<b>107</b>	<b>55</b>

## CITB Notes to and Forming Part of the Financial Statements *continued*

### 10. NON-CURRENT PROVISION

	2001	2000
	\$'000	\$'000
<i>Provision for Employee Entitlements:</i>		
Long Service Leave	14	13

### 11. EXPENDITURE COMMITMENTS

#### *Lease Commitments:*

	2001	2000
	\$'000	\$'000
<i>Operating Leases<sup>1</sup></i>		
Not later than one year	78	54
Later than one year but not later than five years	13	68
Aggregate lease expenditure contracted for at balance date but not provided for (including GST)	91	122
GST included in the Operating Lease commitments	8	-

The leases for office accommodation are non-cancellable leases, with rental payable monthly in advance. Lease payments are subject to annual increases in accordance with movements in current market rental rates.

### 12. AUDITOR'S REMUNERATION

	2001	2000
	\$'000	\$'000
Amounts receivable by the auditors for auditing the accounts:	23	21

### 13. REMUNERATION OF DIRECTORS

*Total income received, or due and receivable during the financial year by Board Members was \$17,000 (\$17,000). The number of Board members whose income from the entity falls within the following band is:*

	2001	2000
	Number of Members	Number of Members
\$0-\$20,000	1	1

Prescribed benefits given by the Board to a prescribed superannuation fund or otherwise in connection with the retirement of a Board member was \$1395.

### 14. REMUNERATION OF EXECUTIVES

*Employees received remuneration in the year in the following band:*

	2001	2000
	Number of Executives	Number of Executives
\$100,001 - \$110,000	1	1

# CITB Notes to and Forming Part of the Financial Statements *continued*

## 15. CONSULTANT FEES

	2001	2000
	\$'000	\$'000
Total expenditure on consultants	50	17

## 16. RELATED PARTY DISCLOSURES

### 16.1 *Directors of the Construction Industry Training Board*

The Directors of the Construction Industry Training Board appointed for the period from the 1st July to 30 June 2001 were:

Richard J. McKay, Presiding Member  
 Susan Frazer  
 Graeme Lawler  
 Martin O'Malley  
 Christopher Michelmore  
 Robert Stewart  
 Brenton Gardner, Appointment effective 23/11/2000  
 Stephen Hall  
 Robert Geraghty  
 Trevor Trewartha  
 Anne Howe

### 16.2 *Transactions with Director-Related Entities*

The following related party transactions occurred during the financial year:

(a) Three of the Board Members are Deputy Board members of Construction Benefit Services (CBS) and two of the Deputy Board Members are Board Members of CBS from whom the Construction Industry Training Board leases premises for its operating activities under normal terms and conditions.

(b) During the year training funds were allocated to associated entities of the Directors of the Construction Industry Training Board. Such transactions were within terms & conditions no more favourable than those available on similar transactions to other parties.

## 17. EQUITY

The purpose of this note is firstly to explain the nature of individual reserves and secondly to explain movements in these amounts during the period.

### *Accumulated Surplus (Deficit)*

	Housing Sector \$'000	Commercial Sector \$'000	Civil Sector \$'000	Other \$'000	2001 Total \$'000	2000 Total \$'000
Balance at 1 July	3,073	1,123	1,250	22	5,468	3,822
Transfer (to) from Strategic reserve	8	(6)	-	-	2	(265)
Surplus/deficit for the year	(295)	(153)	339	(45)	(154)	1,911
<b>Balance at 30 June</b>	<b>2,786</b>	<b>964</b>	<b>1,589</b>	<b>(23)</b>	<b>5,316</b>	<b>5,468</b>

### RESERVE

The Board has provided for a Reserve to address any strategic needs that may arise which the Board considers warrant an allocation of funds.

In developing its policy in 2000-01 for the maintenance of a strategic reserve, the Board has reviewed the level of the reserve. The Board has decided to reduce the level of its strategic reserve in accordance with its annual policy review.

	2001	2000
	\$'000	\$'000
Strategic reserve	1,718	1,720

# CITB Notes to and Forming Part of the Financial Statements *continued*

## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### 18.1 *Reconciliation of Cash*

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

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

	2001 \$'000	2000 \$'000
Cash on hand and at bank	302	0
Term deposits	43	40
	<b>345</b>	<b>40</b>

### 18.2 *Reconciliation of Net Operating (Deficit) Surplus from Ordinary Activities to Net Cash (used in) provided by Operating Activities*

	2001 \$'000	2000 \$'000
Net Operating (deficit) surplus from ordinary activities	(154)	1,911
Depreciation	124	54
Increase in annual leave provision	3	19
Increase in long service leave provision	37	33
(Increase) in debtors and accrued levy income	(52)	(109)
Decrease(Increase) in prepayments	12	(18)
Decrease (Increase) in accrued interest	14	(18)
Interest on commercial bills	0	(215)
Interest on term deposits	(407)	(121)
Decrease in creditors and accrued expenses	45	45
Gain on disposal of assets	(5)	(16)
(Increase)Decrease in GST Paid	(137)	0
(Decrease) Increase in training liability	(83)	2
<b>Net Cash (used in) provided by Operating Activities</b>	<b>(603)</b>	<b>1,567</b>

## 19. FINANCIAL INSTRUMENTS

### (a) *Accounting Policies and Terms and conditions affecting future Cash Flows*

#### FINANCIAL ASSETS

Cash deposits are recognised at their nominal amounts, interest is credited to revenue as it accrues. Interest is earned on a daily balance at the prevailing daily rate for money on call and is paid at month end.

Receivables are generally settled within 30 days and are carried at amounts due. Credit terms are net 30 days. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Term deposits are recognised at cost. Interest is accrued as it is earned.

Term deposits are with the Board's bank with interest being paid on maturity.

#### FINANCIAL LIABILITIES

Accounts payable and training expenditure approved but not yet paid are recognised when the Board becomes obliged to make future payments as a result of a purchase of assets or services at their nominal amounts. Accounts are generally settled within 30 days.

## CITB Notes to and Forming Part of the Financial Statements *continued*

**(b) Credit Risk Exposure**

The credit risk on the Board's financial assets which have been recognised in the Statement of Financial Position is generally the carrying amount, net of any provision for doubtful debts.

The Board is of the opinion that it does not have any material credit risk exposure to any single debtor or group of debtors.

**(c) Interest Rate Risk Exposures**

The Board's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out as follows:

	Weighted Average Interest Rate Percent	Floating Interest Rate \$'000	Fixed Interest Maturing in 1 to 5 years \$'000	Non Interest Bearing \$'000	2001 Total \$'000	2000 Total \$'000
<b>Financial Assets</b>						
Cash	4.8	345	-	-	345	40
Receivables		-	-	654	654	491
Investments	5.6	-	6,463	-	6,463	7,303
		<b>345</b>	<b>6,463</b>	<b>654</b>	<b>7,462</b>	<b>7,834</b>
<b>Financial Liabilities</b>						
Training expenditure approved but not paid		-	-	663	663	746
Creditors and accrued expenses		-	-	146	146	133
<b>Net Financial Assets (Liabilities)</b>		<b>345</b>	<b>6,463</b>	<b>(155)</b>	<b>6,653</b>	<b>6,955</b>

**(d) Net Fair Value of Financial Assets and Liabilities**

The net fair value of financial assets and financial liabilities of the Board approximates their carrying value.



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