



ACT
Government

ACT BUILDING AND CONSTRUCTION INDUSTRY



**TRAINING FUND
AUTHORITY**

ACT

BUILDING AND CONSTRUCTION

INDUSTRY TRAINING FUND AUTHORITY

ANNUAL REPORT

2022 - 2023

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Produced by the ACT Building and Construction Industry Training Fund Authority.

This report is available on the ACT Building and Construction Industry Training Fund Authority website at www.trainingfund.com.au

Canberra, Australian Capital Territory, September 2023.

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Section A - Transmittal Certificate



Dear Minister,

2022-23 ACT Building and Construction Industry Training Fund Authority Annual Report

This report has been prepared in accordance with section 7(2) of the *Annual Report (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) directions*.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the ACT Building and Construction Industry Training Fund Authority.

We Certify that the information in the attached report and information provided for the whole of government reporting, is an honest and accurate account and that all material information on the operations of the ACT Building and Construction Industry Training Fund Authority has been included for the period 1 July 2022 to 30 June 2023.

We hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.3 (see section 113, *Public Sector management Standards 2016*).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Annual Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely

Glenn Carter

Chief Executive Officer
Training Fund Authority

1st September 2023

Yours sincerely

Michael Young

Chairman
Training Fund Authority

September 2023

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Section B – Organisation Overview and Performance:

B.1 Organisation Overview

The Authority’s purpose:

The ACT Building and Construction Industry Training Fund Authority (The Authority) provides funding for the training of eligible workers and for the development of skills identified as being in short supply in the building and construction industry. It aims to improve the culture, level and access to training and to support the entry of new people into the building and construction industry.

The Authority’s objectives are:

- To promote, through training, increased productivity, career opportunities, personal satisfaction and work health and safety within the building and construction industry.
- To ensure an equitable distribution of funds to employers and employees in employment related training in the building and construction industry.
- To allocate funds against determined priorities and outcomes for training delivery, not capital or administrative costs.
- To encourage employment and skills development in the building and construction industry.

The Authority does this through five operational programs which are set out in the annual training plan. These programs are:

1. Entry Level Training.
2. Existing Worker and Professional Development Training.
3. Promotion, Marketing and Sponsorship.
4. Research and Development.
5. Access and Equity.

The Authority’s functions are:

- To administer the training fund, the income of which is obtained by a Training Levy of 0.2% on the value of work in respect of which the Training Levy is payable by the Project Owner.
- To make payments, or direct that payments be made, from the fund in accordance with the training plan.
- The Authority has the power to do all things necessary, or convenient to be done for, or in connection with, the performance of its functions.

Clients and stakeholders:

The following are the Authority’s clients and stakeholders:

▪ ACT Government Agencies	▪ Individual Business Organisations within Commercial, Housing and Civil Sectors
▪ ACT Schools and Colleges	▪ Industry Associations
▪ Employers and employees in the Building and Construction, Electrotechnology and Horticulture sectors	▪ Industry Training Advisory Boards
▪ Employee Associations	▪ Registered Training Organisations
▪ Group Training Organisations	▪ Statutory and Regulatory Authorities

Minister

**Minister for Skills
ACT Government**
Chris Steel, MLA

Board Members

Board
**ACT Building and Construction Industry
Training Fund Authority**

Independent Chairman
Michael Young

Members

Matthew McCann	Employee Representative
Graciete Ferreira	Employer Representative
Zachary Smith	Employee Representative
Melissa Adler	Employer Representative
Glenn Carter	Non-voting Member

Administrative Staff

Chief Executive Officer
Glenn Carter

Compliance Manager
Ben Stokes

Industry Liaison Officer
Michael Doyle

Corporate Overview

The *Authority* is an independent statutory authority. The *Authority* has at all times acted within its legislation during the reporting period and did not undertake any activities not permitted by its legislation.

Overview

Objective 1 To maintain or increase the income of the fund to meet the annual training plan objectives.

- The *Authority's* total income for the financial year 2022-23 was \$4,597,610. This figure is a decrease of \$164,424 over the previous year of \$4,762,034.
-

Objective 2 To increase the funding available to its approved training programs.

The *Authority* provides funding to its training programs through:

- The continuation of on-the-job training incentives for employers of apprentices in trades identified as having a skills shortage.
 - Encourage employment and skills development in the building and construction industry.
 - Sponsorship support to those Industry bodies who demonstrate commitment and support to training and excellence in training.
 - Providing training incentives to ACT schools and colleges whose students undertake Certificate II Construction Pathways Training.
-

Objective 3 Improve the *Authority's* profile among its stakeholders.

As a key part of the *Authority's* strategy for 2022-23, the marketing of the *Authority's* activities was attained by:

- Increased compliance activity, providing the *Authority* access to a wider range of stakeholders.
 - Widespread consultation with industry stakeholders and government contributors.
 - Partnering with key industry stakeholders for information presentation via social media
 - Regular and relevant up to date information on the *Authority's* website and mobile services app.
 - Providing relevant information on rebates and funding available to stakeholders in the industry.
 - Sponsorship of appropriate industry events and Vocational Education Training awards.
 - Liaising with ACT Government Directorates, Industry organisations and individuals.
-

Objective 4 Prepare the *Authority's* annual training plan for approval by the Minister.

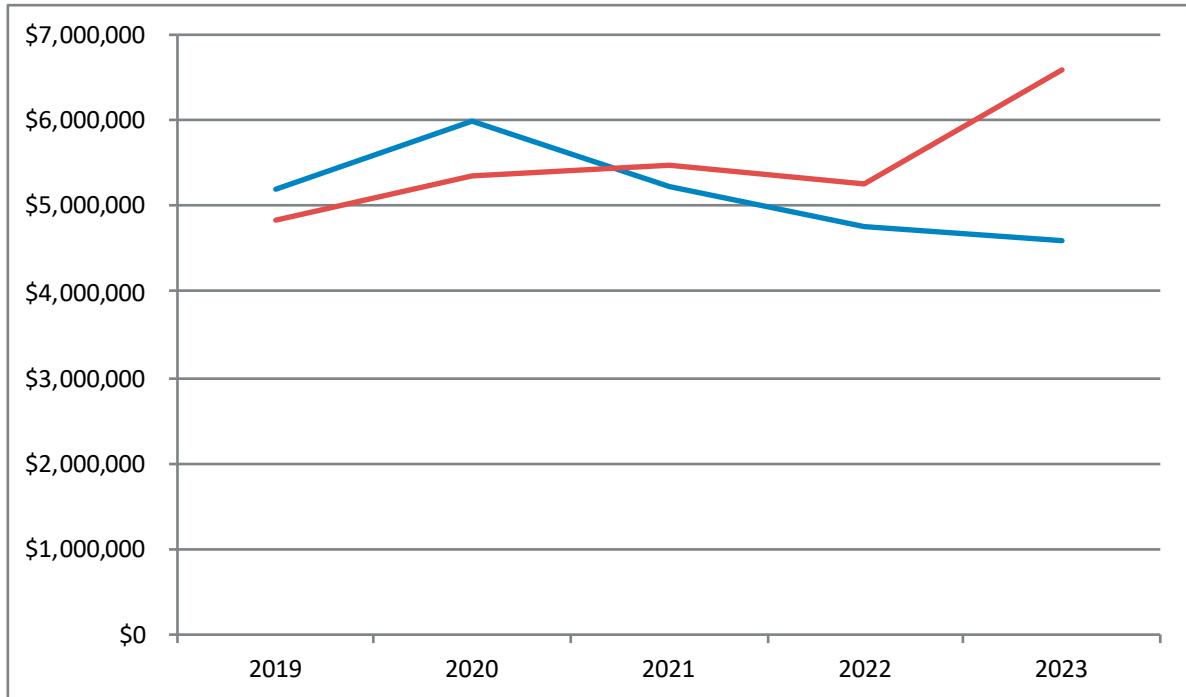
The *Authority* submitted the 2023 Training Plan to the Minister for approval. The Minister, under Section 5 of the *Building and Construction Industry Training Levy Act 1999*, approved the 2023 Training Plan.

Income & Expenditure
Year Ending June 2019 – 2023

TABLE 1.1

	2019	2020	2021	2022	2023
Income —	\$5,189,309	\$5,992,151	\$5,221,572	\$4,762,034	\$4,597,610
Expenditure —	\$4,836,548	\$5,347,705	\$5,491,354	\$5,248,554	\$6,590,871

GRAPH 1.1



The Authority's income for the year ending 30 June 2023 was \$4,597,610 which was \$164,424 (3.5%) lower than the income of \$4,762,034 in 2021-22.

This was due to levy income from building applications being less than expected, due to the lower value of applicable building and construction works being undertaken during the year.

The Authority is anticipating that levy income in the financial year 2023-24 will be higher than the income in 2022-23, mainly due to a projected increase in value of activities related to infrastructure projects in the ACT combined with residential apartment construction, residential homes in newly established estate developments and civil construction projects in the ACT.

Achievements in Entry Level Training

The *Authority* provided funding totaling \$1,616,450 to employers of Australian Apprentices, Registered Training Organisations (RTOs), Group Training Organisations (GTOs) in the ACT, ACT Schools and Colleges and other stakeholders from its Entry Level Training program in 2022-23. This amount is a decrease of \$89,169 over the amount of \$1,705,619 expended in 2021-22 and was due to a reduction in numbers of apprentices employed by GTO’s that receive an incentive payment per apprentice.

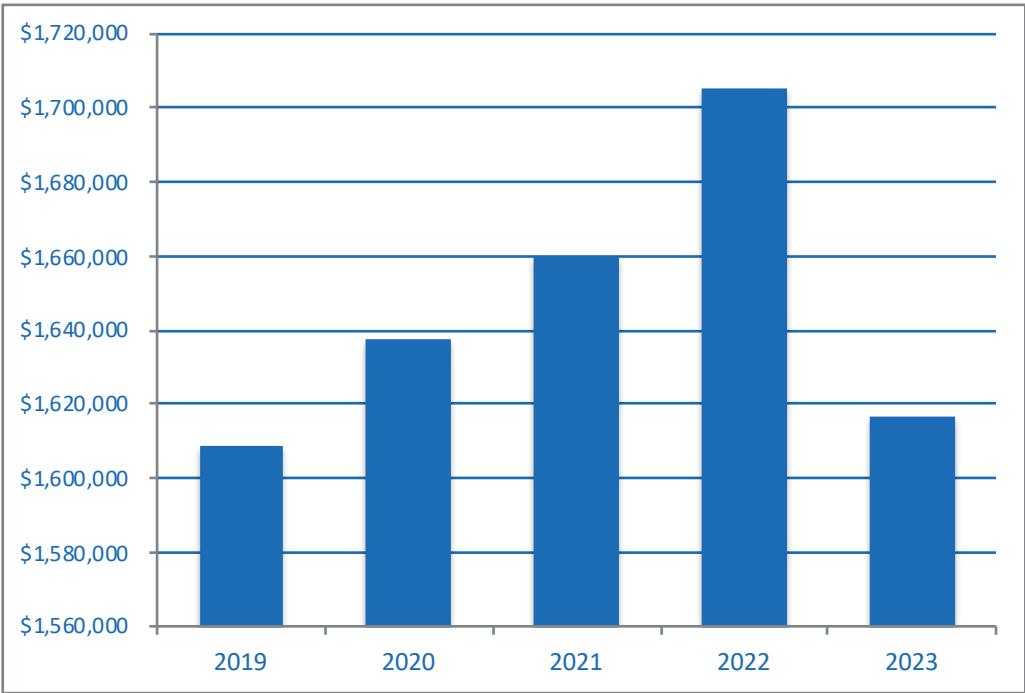
This is a very substantial investment in training for the current and future workforce of the ACT building and construction industry.

**Expenditure - Entry Level Program
Year Ending June 2019 – 2023**

TABLE 2.1

2019	2020	2021	2022	2023
\$1,608,570	\$1,637,400	\$1,659,629	\$1,705,619	\$1,616,450

GRAPH 2.1



The *Authority* provided funding for the following areas:

Sector	Number of funded training places
Australian Apprenticeships employed by Group Training Organisations in the ACT	340
Skill Shortages trades	83

Examples of funded programs included:

- Annual Australian Apprenticeship funding to GTOs in the ACT.
- Australian School-based Apprenticeships – skills enhancement program.
- The continuation of on-the-job training incentives for employers of apprentices in trades identified as having a skills shortage.
- Construction Industry Training Council – Entry Level Support Program.
- Certificate II in Construction for students at four ACT colleges.

With \$1,616,450 in funding being expended in the Entry Level Training program, the *Authority* was able to support entry-level apprentices, trainees and Australian School-based Apprenticeships. Funding also supported school and college students trained in courses associated with the building and construction industry across multiple different vocations in the ACT. The *Authority* provided support to 206 school students undertaking Cert II Construction. This is an increase of 110 students on last years 96 students.

Achievements in Existing Worker and Professional Development Training

The *Authority* expended a total of \$3,483,749 in 2022-23 on the Existing Worker and Professional Development Training Program. This amount is an increase of \$1,463,889 compared to the amount of \$2,019,860 expended in 2021-22.

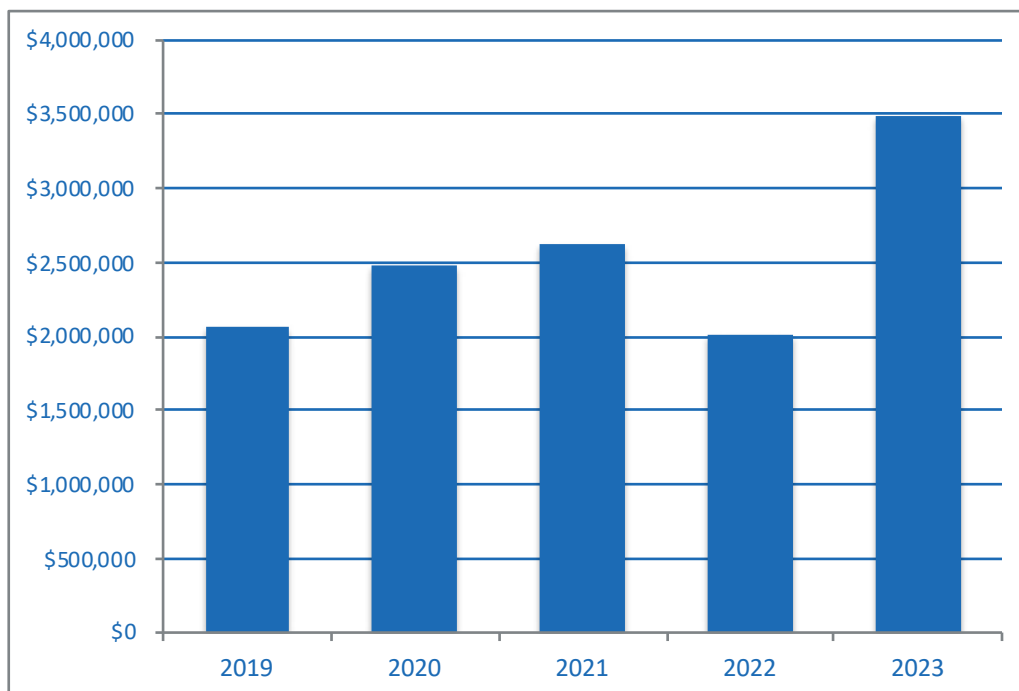
The increase in funding expenditure this financial year is due to *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023 (since amended to 1 October 2023).

Expenditure – Existing Worker and Professional Development Training Program Year ending June 2019 – 2023

TABLE 3.1

2019	2020	2021	2022	2023
\$2,063,023	\$2,485,548	\$2,626,424	\$2,019,860	\$3,483,749

GRAPH 3.1



The following table shows the number of training places funded by the *Authority*. The *Authority* provided funding for 20,996 training places during 2022-23.

Sector	Number of funded training places
Work Health and Safety	17661
General Construction / Civil Engineering	1995
Finance, Business and Management	680
Electrotechnology / Plumbing	660

Following are examples of training courses funded:

▪ Accounting / Computer Software	▪ First Aid/CPR
▪ ACT Construction Induction Card	▪ Forklift
▪ Asbestos Awareness	▪ Heavy Rigid Truck
▪ Backflow Prevention	▪ Manual Handling
▪ Backhoe loader	▪ Mobile Chipper and Mulcher
▪ Business Administration and Management	▪ Personnel/Materials Hoist
▪ Cable Jointing Polymeric	▪ Plan and Organise Civil Work
▪ Certificate IV in Building & Construction	▪ Restrictive Electrical Training for Plumbers
▪ Chainsaw	▪ Rigging
▪ Compact Asphalt with Rollers	▪ Scaffolding
▪ Confined Space	▪ Silica Awareness/Prevention
▪ Co-ordinate Worksite Activities	▪ Solar Battery Storage - Various
▪ Elevated Work Platforms	▪ Test and Tag Electrical Equipment
▪ Environmental Procedures	▪ Working Safely at Heights
▪ Fall Trees Manually	▪ Working Safely with Asbestos Containing Materials
▪ Fire Warden Training	▪ WHS - Various

Achievements in Promotion, Marketing and Sponsorship

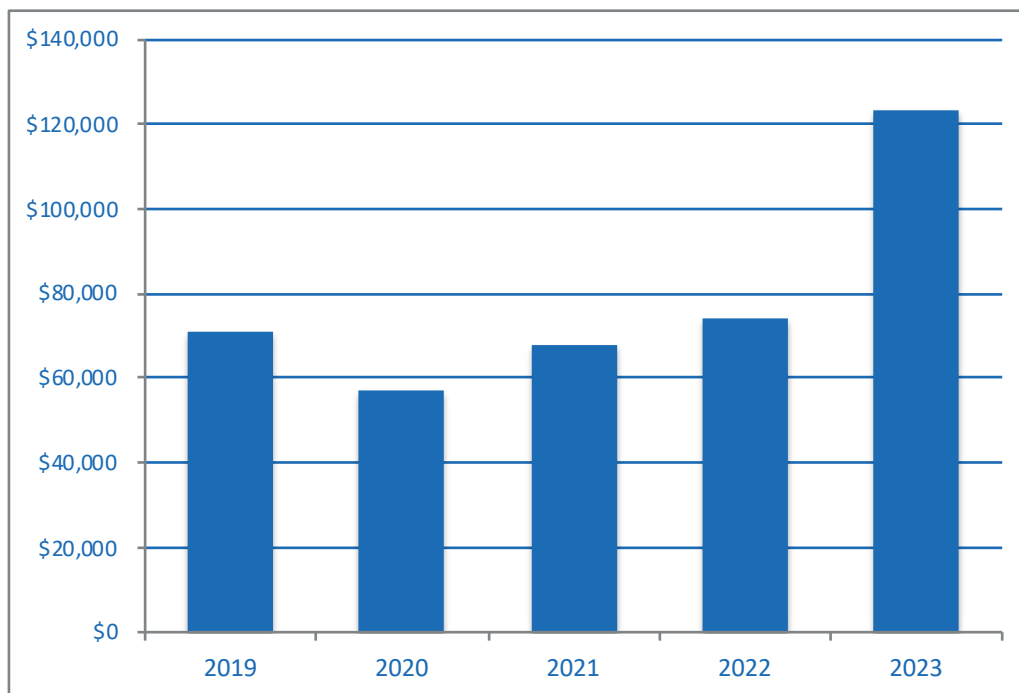
The *Authority* expended \$123,114 on the Promotion, Marketing and Sponsorship program in 2022-23 to support a number of industry events, vocational education and training awards and projects. This amount is an increase of \$49,010 expended in 2021-22.

Expenditure – Promotion, Marketing and Sponsorship Program Year Ending June 2019 – 2023

TABLE 4.1

2019	2020	2021	2022	2023
\$70,904	\$56,860	\$67,751	\$74,104	\$123,114

GRAPH 4.1



Funds were allocated to sponsorship applications of the following industry association awards, apprenticeships awards and vocational education and training awards:

- ACT Government Education and Training Directorate – Training Excellence Awards.
- ACT CFMEU Delegates Awards.
- Canberra Institute of Technology - Bridge Building Challenge.
- ACT Regional Building and Construction Industry Training Council – Graduating Apprenticeship and Industry Encouragement Awards – Indigenous Apprentice of the Year.

- Housing Industry Association ACT/Southern NSW – Housing Industry and Apprenticeship Awards – Host Trainer of the Year.
- Master Builders Association of the ACT – Excellence in Training Awards
- Promoting and advertising the *Authority's* programs through industry functions, association journals, newsletters, and social media platforms.
- Industry visits to stakeholders.
- The National Association for Women in Construction (NAWIC) – CEO shadow program.
- Update multimedia promoting the programs and services provided by the *Authority*.
- Website link dedicated to Tradeswomen in Building and Construction. The website address is: www.tradeswomencanberra.com.au

Achievements in Research and Development

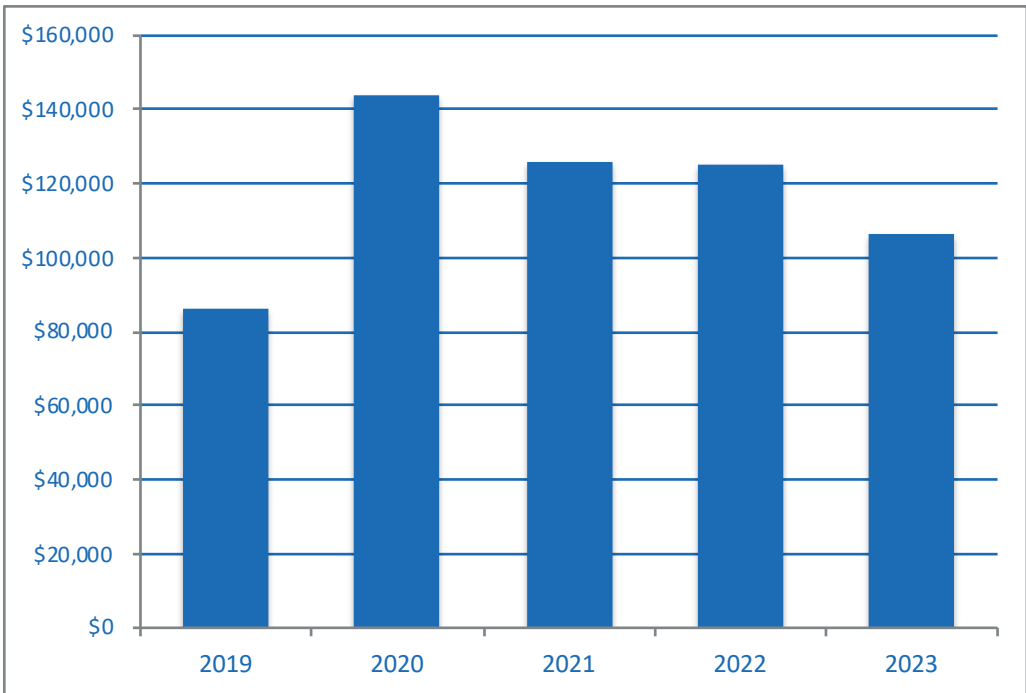
The *Authority* expended \$106,477 on the Research and Development program in 2022-23. This amount is a decrease of \$18,343 compared to the 2021-22 financial year.

**Expenditure - Research & Development Program
Year Ending June 2019 – 2023**

TABLE 5.1

2019	2020	2021	2022	2023
\$85,920	\$143,763	\$125,855	\$124,820	\$106,477

GRAPH 5.1



Funds were expended on the following Research and Development programs:

- Research, planning, development and production of the *Authority's* annual training plan, including provision of industry advice from the ACT Electrotechnology and Energy Advisory Board (EEAB) and the ACT Regional Building and Construction Industry Training Council (CITC).

Achievements in Access and Equity

The Authority provided \$411,820 in funding in 2022-23 through the Access and Equity program. This amount is a decrease of \$74,155 over the 2021-22 financial year.

Funding provided incentive payments to employers of ACT apprentices supporting entry level and existing workers of identified groups and people with special needs within the building and construction industry.

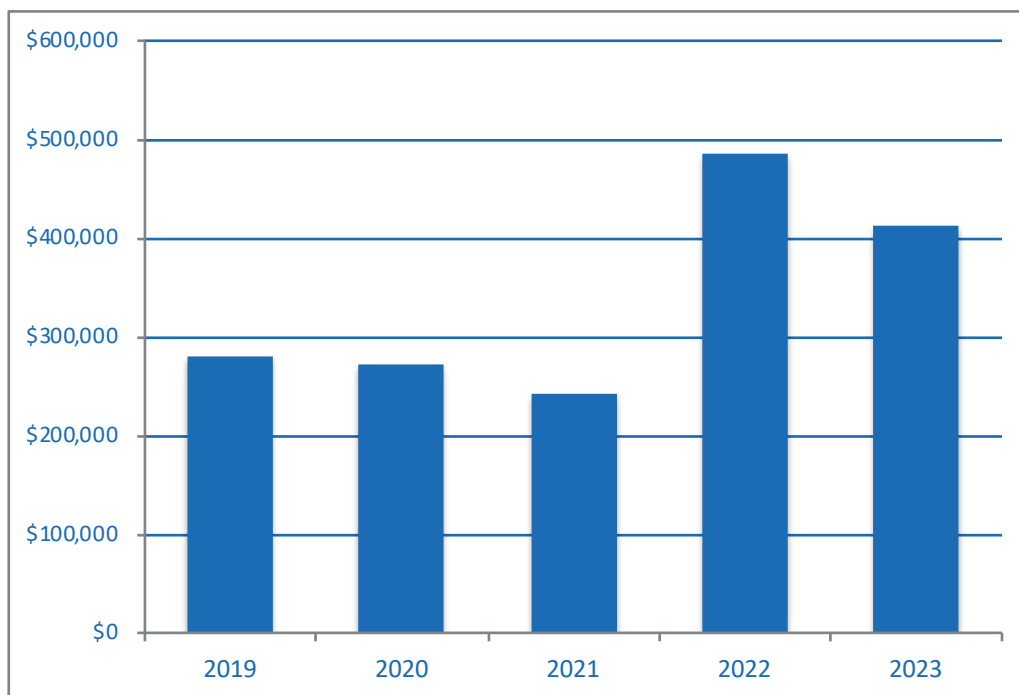
The Tradeswomen in Building and Construction' campaign has continued throughout 2010 – 2023.

Expenditure - Access & Equity Program Year Ending June 2019 – 2023

TABLE 6.1

2019	2020	2021	2022	2023
\$280,448	\$273,262	\$241,820	\$485,975	\$411,820

GRAPH 6.1



Funds were expended on the following Access and Equity programs:

- The Authority paid incentives to Employers who employed 50 Aboriginal and Torres Strait Islander apprentices.
- The Authority paid incentives to Employers who employed 33 Mature Age (25-44 yrs at commencement) apprentices.
- The Authority paid incentives to employers for 106 apprentices who are women in trades. The women were employed in multiple trades including: cabinetmaking, electrotechnology, carpentry, horticulture, civil construction, plumbing, painting and decorating, resources and infrastructure, wall and ceiling lining and sports turf management..

Total Funding Provided to Five Operational Programs

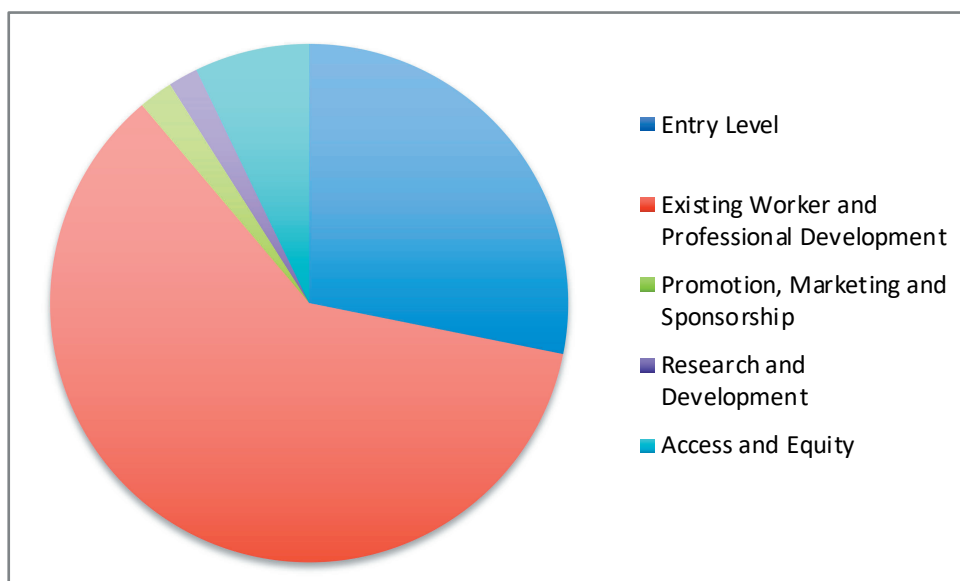
The following table and graph (7.1) is an indicative summary of the total funding provided to the five operational programs in 2022-23.

Funding provided to five operational programs Year Ending June 2023

TABLE 7.1

Program	Amount	Percentage %
Entry Level	\$1,616,450	28.1
Existing Worker and Professional Development	\$3,483,749	60.7
Promotion, Marketing and Sponsorship	\$123,114	2.1
Research and Development	\$106,477	1.9
Access and Equity	\$411,820	7.2
Total	\$5,741,610	100.0

GRAPH 7.1



Program 1 ENTRY LEVEL TRAINING

Entry Level Training arrangements under this program only apply to persons who are under an ACT Contract of Training in an occupation, or an activity considered relevant to the building and construction industry, or persons employed as entry level workers in general construction.

Future Priorities

- Continue to support apprentices and trainees employed in trades and vocations relevant to Schedule 1 of the *Act*.
- Continue to support, where possible, employers of apprentices and trainees who are undertaking entry level training under an ACT Contract of Training.
- Continue support school/college for alternative pathways for entry level persons to enter the building and construction industry.
- Continue to promote the building and construction industry as a rewarding career choice.

Program 2 EXISTING WORKER TRAINING AND PROFESSIONAL DEVELOPMENT

An Existing Worker is a person who works a minimum of 80% of their time in the building and construction industry in the ACT. The eligible person may or may not be under an ACT Contract of Training and undertakes an approved funded training program through an RTO.

Future Priorities

- Continue to support and fund existing worker training and professional development for those persons employed within the ACT building and construction industry.

Program 3 PROMOTION, MARKETING AND SPONSORSHIP

The Promotion, Marketing and Sponsorship program supports a number of industry events, vocational education and training awards and special projects.

Future Priorities

- Continue to review and revise promotional activities to support the *Authority's* strategies.
- Implement cost effective promotional activities to encourage an increase in the uptake of training programs.
- In all promotional activities, emphasize the building and construction industry as a positive, rewarding, meaningful and worthwhile life-long career.

Program 4 RESEARCH AND DEVELOPMENT

The Research and Development program supports the development of new industry training programs, research for the *Authority's* annual training plan and special projects.

Future Priorities

- Continue to support the development of new training programs and the extension of existing training programs.
- Continue the involvement of building and construction industry organisations, stakeholders, and individuals in the development of the annual training plan.

Program 5 ACCESS AND EQUITY

The Access and Equity program supports a number of funding initiatives that support the employment and training of entry level and existing workers.

Future Priorities

- The *Authority* continues to support the 'tradeswomen in building and construction' campaign - www.tradeswomencanberra.com.au .
- The *Authority* will continue to provide support to employers who employ women, Indigenous Australians, and persons who have special training needs.
- The *Authority is a strategic partner with GTO's and RTO's* who facilitate the employment women, Indigenous Australians, disadvantaged groups and persons who have special training needs.

B.2 Performance Analysis

Actual annual performance against the projected performance.

- The *Authority's* income for the year ending 30 June 2023 was \$4,597,610 which was \$999,390 (17.9%) lower than the budgeted amount of \$5,597,000 for 2022-23. This was due to levy Income from building applications being less than expected due to a lower value work on applicable building and construction projects approved during 2022-23.

Income

Financial Year	2021-2022	2022-2023
Income	\$4,762,034	\$4,597,610

- The *Authority's* total income for the financial year 2022-23 was \$4,597,610. This figure is a decrease of \$164,424 over the previous year of \$4,762,034.
- The Authority is anticipating that levy income in the financial year 2023-24 will be higher than the income in 2022-23, mainly due to a projected increase in value of activities related to infrastructure projects in the ACT combined with residential apartment construction, residential homes in newly established estate developments and civil construction projects in the ACT.

Expenditure

Financial Year	2021-2022	2022-2023
Expenditure	\$5,248,554	\$6,590,871

- The Authority's total expenditure in 2022-23 was \$1,342,317 (25.6%) higher than the prior year amount of \$5,248,554. The Authority's expenditure on training programs is dependent on the number of applications received and the amount of funding requested. This was mainly due to a higher value of anticipated funding expended for training programs rebates in the upskilling and cross skilling program because of the *Work Health & Safety Amendment Regulation 2022 (No1)* (ACT) which requires employers to ensure all relevant workers have Crystalline Silica awareness training by 1 July 2023, (since amended to 1 October 2023.)
- The Authority is anticipating that expenditure in the operating statement for the financial year 2023-24 will be lower than 2022-23, because of reduced expenditure related to training program expenses, budgeted for 2023-24 to be \$4,700,000. This will be because of the 1st October 2023 regulated deadline for all employers to ensure relevant employees and workers are trained in the mandatory training program Crystalline Silica awareness.

B.3 Scrutiny

There were no inquiries or reports conducted by ACT Legislative Assembly Committees relating to operations of the *Authority*.

The *Authority* has undergone both financial and performance auditing by the ACT Auditor-General's Office during the reporting year, with no significant developments.

B.4 Risk Management

- The *Authority* has in place a Risk Management Plan that provides assurance that the *Authority* has identified and managed its risks.
- The *Authority* is committed to, and places high priority on, managing its risk strategically and systematically. Risk management is an activity that begins at the highest level and is applied consistently though all levels of management.
- All staff are required to integrate risk management procedures and practices into their daily activities.

B.5 Internal Audit

As at 30 June 2023, the *Authority's* staff comprised of the following three positions and their core functions:

Position	Core functions
Chief Executive Officer	policy formulation and development, finance, accounts, human resources administration and non-voting member of the <i>Authority</i> board
Compliance Manager	administration and compliance of levy collection, levy rebates, finance, human resources, accounts, development, and management of training plan
Industry Liaison Officer	liaison with clients and stakeholders, promotion and marketing, advise on training programs, policy formulation and annual report

All staff have extensive knowledge and experience in their positions, having previously worked in the public and private sectors in a wide range of positions and levels.

The *Authority's* administrative staff are full-time permanent employees engaged under individual employment contracts.

Staff are appointed by the *Authority* and are also appointed as inspectors under the *Building and Construction Industry Training Levy Act 1999*. In the reporting period, staff levels remained the same as the previous reporting year.

The *Authority's* Chief Executive Officer has responsibility for the following role and functions:

- Provide advice and assistance to the Board on strategic business directions.
- Provide leadership to staff to ensure effective, efficient, and professional operations of the organisation.
- Undertake a major contribution to the formulation and implementation of strategic policy and programs for the organisation.
- Manage and coordinate the financial programs of the organisation, including the day-to-day management and reporting on income and expenditure.
- Prepare detailed reports and submissions to the Board.
- Responsibility for the completion of the annual report, training plan, statement of intent, financial statements and other reports and documents provided to the Board and Minister as required.
- Liaise with external organisations, key stakeholders and represent the *Authority* as required.

- Ensure the application of workplace diversity, industrial democracy, work health and safety principles and guidelines in the workplace.
- Non-voting member of the Board.

The *Authority's* board consists of an independent chairman, two members representing the interests of employers in the industry and two members representing the interests of employees in the industry. The Minister appoints board members for a term of not longer than six years or two serving terms in accordance with the *Building and Construction Industry Training Levy Act 1999*.

Attendance at Meetings

The *Authority* conducted seven meetings during the reporting period. The number of meetings attended by the chairman and members of the *Authority* were as follows:

Members of the *Authority*

Name of Board Members	Position	Duration Years	Meetings Attended
Michael Young <ul style="list-style-type: none"> ▪ CEO Transformed Pty Ltd 	Independent Chairman	3.5	7
Melissa Adler <ul style="list-style-type: none"> ▪ HIA Executive Director Industrial Relations and Legal Services 	Member	2	4
Matthew McCann <ul style="list-style-type: none"> ▪ Senior Organiser ACT / Sthn NSW Electrical Trade Union of Australia (NSW Branch) ▪ CEPU Electrical Trades Union Division, NSW Branch 	Member	2	4
Zachary Smith <ul style="list-style-type: none"> ▪ Secretary of the ACT Branch & National Secretary of the Construction, Forestry, Maritime, Mining and Energy Union 	Member	5	3
Grace Ferreira <ul style="list-style-type: none"> ▪ Manager Director of Pacific Formwork Pty Ltd 	Member	7	6
Glenn Carter <ul style="list-style-type: none"> ▪ CEO ACT Building and Construction Industry Training Fund Authority 	Non-voting member	9.5	7

The ACT Remuneration Tribunal determines procedures for establishing and revising remuneration paid to voting board members.

Due to the size of the entity, the *Authority* does not have any sub-committees. The board as a whole resolves all matters and has access to independent legal and professional advice as required. Each year the board submits a statement of intent, training plan, annual report, and financial statements to the Minister outlining its corporate objectives, financial and operational plans.

B.6 Fraud Prevention

Fraud and Corruption Prevention Plan

- The *Authority* has in place a fraud and corruption prevention plan that provides assurance that the *Authority* has identified and manages any risk associated with fraud, corruption, operational activities and financial management.
- The awareness and managing the risk of fraud, corruption and operational activities is integral to achieving the *Authority's* business outcomes and reflects the corporate attitude to fraud, ethics and a code of conduct.
- The emphasis of the fraud and corruption prevention risk management program is on targeting and optimising the available resources to best manage the risks the *Authority* may be exposed to and efficiently meeting the *Authority's* agreed objectives.

B.7 Freedom of Information

During the reporting period there were no requests made to the *Authority* from members of the public for information under the *Freedom of Information Act 2016 section 96*.

Section 7 Statement

The functions and operations of the *Authority* are detailed in Part B.1 – Organisation Overview.

All sectors within the building and construction industry (employers and employees) are represented on the board of the *Authority* by members who have equal representation. The staff of the *Authority* formulates policy and administers procedures.

The *Authority's* website contains information on all programs which the *Authority* administers. It also advises eligible persons how they can obtain training funds for professional development training.

The *Authority* is centrally located on the ground floor at Suite 4, Mungga – Iri House, 18 Napier Close, Deakin ACT 2600, where there is adequate parking and reasonable disabled access.

Section 8 Statement

The *Authority* has available and/or promotes online and hard copy documents and information brochures for the purpose of informing the community of its statutory responsibilities, governance and powers.

Information available includes:

- *Building and Construction Industry Training Levy Act 1999*.
- Australian Forum of Construction Industry Training Funds brochure.
- ACT Building and Construction Industry Training Fund Authority – training incentives brochure.
- Annual Training Plans.
- Annual Reports.
- Worksafe ACT safety videos
- Bi-monthly newsletters.
- Independent website dedicated to promoting 'Women in Building and Construction'. The website address is: www.tradeswomencanberra.com.au
- The *Authority's* website address is: www.trainingfund.com.au

Section 79 Statement

- During the reporting period there were no requests made to the *Authority* from members of the public for information under the *Freedom of Information Act 1989* or the *Freedom of Information Act 2016*.

B.8 Community Engagement and Support

During the reporting period the *Authority* consulted with relevant industry sectors and stakeholders for the collection of data for the development of the 2023 Training Plan.

The consultation process applied at three levels including:

1. ACT Regional Building and Construction Industry Training Council provided reports to the *Authority* on building and construction training issues.
2. The Electrotechnology and Energy Advisory Board provided training needs advice to the *Authority* from the electrotechnology and electricity supply sectors.
3. The *Authority* also undertook industry consultation with other industry stakeholders.

Following are samples of stakeholders consulted:

Organisations

▪ Civil Contractors Sector	▪ Master Builders Association of the ACT
▪ Construction, Forestry, Maritime, Mining & Energy Union	▪ Master Plumbers Association of the ACT
▪ Electrical Trades Union	▪ National Association for Women in Construction
▪ Housing Industry Association – ACT and Southern NSW Region	

Registered Training Organisations and Group Training Organisations

▪ 1300 Apprentice	▪ Housing Industry Association Group Training
▪ Australian Training Company	▪ Lemke Timber Training
▪ Canberra Institute of Technology	▪ Master Builders Association ACT
▪ Capital Training Institute	▪ National Electrical Contractors Association
▪ Creative Safety Initiatives	▪ Electro Group Training

Regulatory Bodies

▪ ACT Government–Environment, Planning and Sustainable Development Directorate
▪ ACT Government–Chief Minister, Treasury and Economic Development Directorate–Access Canberra
▪ ACT Government–Chief Minister, Treasury and Economic Development Directorate–Skills Canberra

Also consulted were organisations within the commercial, housing, and civil sectors in the ACT. The ACT Regional Building and Construction Industry Training Council, Electrotechnology and Energy Advisory Board and the *Authority* used the following tools to engage stakeholders and the community in the development of the Training Plan:

▪ Direct mail	▪ Newsletters
▪ Direct contact and phone interviews	▪ Industry forums
▪ Industry magazine and journals	▪ Workshops

Through extensive research and consultation with the abovementioned industry participants and stakeholders, the *Authority* produced the 2023 Training Plan which reflects training priorities identified during this process.

Community Grants / Assistance / Sponsorship

The *Authority* provided the following sponsorship to support community activities associated with the building and construction industry. It also provided sponsorship funding to encourage and promote quality in apprenticeships and excellence in the building and construction industry in the ACT.

Organisation / Recipient	Project Description / Sponsorship	Amount \$ Incl GST
ACT Regional Building and Construction Industry Training Council	Graduating Apprentice and Industry Encouragement Awards	\$6000
ACT Government - Education and Training Directorate	ACT Training Excellence Awards	\$3000
Australian Training Company	Women in Construction Pathways	\$4025
Canberra Institute of Technology	Bridge Building Challenge	\$3000
Construction Charitable Works	Drug and Alcohol Education Program and a wide range of support services to workers and their families in the ACT	\$7700
Housing Industry Association ACT/SNSW	Housing Industry Awards and Apprenticeship Award	\$4000
Master Builders Group Training	Outstanding Apprenticeship and Training Awards	\$4000
Master Plumbers Association ACT	Excellence Awards	\$4000
National Association for Women in Construction	CEO Shadow Program	\$4000

B.9 Aboriginal and Torres Strait Islander Reporting

The Access and Equity program provides a number of funding initiatives that support the employment and training of both entry level and existing workers of identified groups including women, Indigenous and people with special needs within the building and construction sector.

During the financial year the *Authority* have provided incentives to employers of 50 Indigenous apprentices who are in the first year of an ACT Training Contract. The employer incentives are a total of \$4,000, \$2,000 is paid after the apprentice has been employed three month and a further \$2000 payable after the twelve month anniversary.

The *Authority* engaged the Kamberra Indigenous Cleaning company on 1st December 2020 to provide office cleaning services to the *Authority*. For the current period this is \$4910.64

B.10 Work Health and Safety

The *Authority* has in place Work Health and Safety policies and procedures that identify, manage and monitor safety risks within the workplace.

There were no workplace accidents or injuries reported within the *Authority* in the reporting period.

The *Authority* has in place workers compensation policy arrangements with the ACT Government Chief Minister, Treasury and Economic Development Directorate - Skills Canberra.

B.11 Human Resources Management

The *Authority's* management is committed to implementing a 360-degree management style. The principles include reviewing staff performance, informing staff on policy, group meetings and receiving feedback. These principles are taken into account when providing advice on policy issues to staff and board members.

Feedback to staff members allows for free-flow communication which contributes effectively to achieving the goals of the *Authority*. Management also encourage staff to undertake relevant professional development and training.

The *Authority* staff conducts regular staff meetings where they are encouraged to suggest improvements in the way work is performed. All staff of the *Authority* attend board meetings to provide a summary of work achieved since the previous board meeting and outline future planning activities.

The management also ensures integrity in the selection process of staff whereby Equal Employment Opportunity principles of equity and diversity are followed, ensuring the process is fair and equitable and equal opportunity and natural justice are observed.

Workplace Relations

The *Authority's* administrative staff are employed under individual employment contracts.

Staff Profile

Full Time Equivalent (FTE) & Headcount:

	Female	Male	Total
FTE by Gender	-	3	3
Headcount by Gender	-	3	3
% of Workforce (headcount)	-	100	100

Classifications

Classification Group	Female	Male	Total
Employment Contract	-	3	3
TOTAL	-	3	3

Employment Category by Gender

Employment Category	Female	Male	Total
Casual	-	-	-
Permanent Full-time	-	3	3
Permanent Part-time	-	-	-

Employment Category	Female	Male	Total
Temporary Full-time	-	-	-
Temporary Part-time	-	-	-
TOTAL	-	3	3

Average Length of Service by Age-Group by Gender

Average Length of Service	Pre-Baby Boomers		Baby Boomers		Generation X		Generation Y		Total	
	F	M	F	M	F	M	F	M	F	M
0-2										
2-4										
4-6										
6-8										
8-10				2		1				3
10-12										
12-14										
14+ years										

Generation	Birth years covered	Generation	Birth years covered
Pre-Baby Boomers	prior to 1946	Generation X	1965 to 1979 inclusive
Baby Boomers	1946 to 1964 inclusive	Generation Y	from 1980 and onwards

Total Average Length of Service by Gender

Gender	Average length of service
Female	-
Male	9.5
Total	28.5

Age Profile

Age Group	Female	Male	Total
<20			
20-24			
25-29			
30-34			
35-39			
40-44			
45-49		1	1
50-54			

55-59		1	1
60-64		1	1
65-69			
70+			

Agency Profile

Branch/Division	FTE	Headcount
Statutory Authority	3	3
Total	3	3

Agency Profile by Employment Type

Branch/Division	Permanent	Temporary	Casual
Statutory Authority	3	-	-
Total	3	-	-

Equity & Workplace Diversity

	category A	category B	category C		
	Aboriginal and/or Torres Strait Islander	Culturally & Linguistically Diverse	People with disability	Employees who identify in category A, B or C	Women
Headcount	1	-	-	-	-
% of Total Staff	33	-	-	-	-

Note:

- Staff profile statistics exclude board members
- Board members and staff are not paid by ACT Government.

B.12 Ecological Sustainability Reporting

Ecological Sustainable Development is the effective integration of economic, social and environmental considerations taken in decision-making processes and achieved through the implementation of principles.

Commissioner for Sustainability and the Environment (CSE) Act 1993, Section 23, Climate Change and Greenhouse Gas Reduction Act 2010 and Section 158A of the Environment Protection Act 1997 requires agencies and authorities to report on their actions and initiatives taken during the reporting year to support ecologically sustainable development.

Sustainable Development Performance 2021-22 and 2022-23

Indicator as at 30 June	Unit	2021-22	2022-23	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	4.318	4.343	0.6
Natural gas use (non-transport)	Megajoules			

Diesel use (non-transport)	Megajoules			
Transport fuel usage				
Battery electric vehicles (BEV)	Number			
Hydrogen fuel cell Electric vehicles (FCEV)				
Plug-in hybrid electric vehicles (PHEV)	Number			
Hybrid electric vehicles (HEV)				
Internal combustion engine (ICE)	Number			
Total number of vehicles	Number	3	3	Nil
Fuel use – Petrol	Kilolitres	2.696	2.880	6.8
Fuel use – Diesel	Kilolitres	1.163	1.509	29.8
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres			
Fuel use – Compressed Natural Gas (CNG)	Kilolitres			
Water usage				
Water use	Kilolitres			
Resource efficiency and waste				
Reams of paper purchased	Reams	20	15	-25.0
Recycled content of paper purchased	Percentage	50	50	N/A
Waste to landfill	Litres	130	125	-3.8
Co-mingled material recycled	Litres	45	45	Nil
Paper & cardboard recycled (incl. secure paper)	Litres	54	240	344.00
Organic material recycled	Litres			
Greenhouse gas emissions				
Emissions from natural gas use (non-transport)	Tonnes CO ₂ -e			
Emissions diesel use (non-transport)	Tonnes CO ₂ -e			
Emissions from transport fuel use	Tonnes CO ₂ -e	12.3	11.0	-10.5
Emissions from Refrigerants	Tonnes CO ₂ -e			
Total emissions	Tonnes CO ₂ -e	12.3	11.0	-10.5

Fuel usage is consistent with operational adjustments following COVID19 and increased stakeholder engagement post covid 19.

Paper purchases changes are due to timing of purchases for a small office and supply of home based workstations.

Wastepaper and cardboard products are recycled where possible and used ink cartridges are also recycled. Paper is further limited by use of electronic record management. Very large increase for this year due to small operation and disposal of 10 years of obsolete records.

The *Authority* supports the principles of Ecologically Sustainable Development where possible in the operational activities of the organisation.

Note: As of January, ACT shifted to 100% renewable energy and all electricity consumption now produces zero emissions and the emissions factors are no longer required going forward.

The *Authority* supports the *Climate Change and Greenhouse Gas Reduction Act 2010*, section 25 by implementing the following procedures and guidelines:

- Energy saving lighting.
- All lighting and standby information and technology systems switched off during office closure.

The *Authority* considers where possible, initiatives to further reduce greenhouse gas emissions during the reporting periods to actively support the ACT Government Carbon Neutral Framework.

Section C – Financial Management Reporting:

C.1 Management Discussion and Analysis

The Authority's Mission and Objectives

The Building and Construction Industry Training Fund Authority (the Authority) provides funding for the training of entry-level and eligible existing workers and for the development of skills identified as being in short supply in the building and construction industry. It aims to improve the culture of the industry, level, and access to training and to support the entry of new people into the building and construction industry. This is achieved by:

- promoting training as an advantage that will increase the productivity of workers in the industry.
- providing career opportunities and personal satisfaction for workers in the industry.
- providing funding for Occupational Health and & Safety training that will encourage a safer working environment for workers within the industry.
- ensuring an equitable distribution of the Authority's funds to employers and employees for relevant training in the industry.
- allocating funds against determined priorities and outcomes for training delivery, non-capital, or administrative costs; and
- encouraging the employment of entry-level employees and skills development in the industry.

Business Continuity Plan

The *Authority* has in place a Disaster Recovery Plan and an Information Technology (IT) and Business Continuity Plan that provides assurance that the *Authority* meets its overall objectives. It ensures that critical processes delivered by the *Authority* to the Minister, businesses, service providers, stakeholders, clients, and the community continue in the event of a minor or major disruption or an emergency. The Business Continuity Plan identifies critical processes, alternate processes, contact lists and the recovery and resumption procedures for each business area. The *Authority* will identify, prepare, test, and govern these critical and alternate processes.

Financial Performance

The following financial information is based on the audited Financial Statements for 2021-22 and 2022-23 and the 2022-23 Statement of Intent. Estimates presented below for 2022-23 through to 2024-25 are based on the 2022-23 Statement of Intent.

Total Expenditure

1. Components of Expenditure

The Authority's total expenditure in 2022-23 was \$6,590,871. This expenditure was mostly related to the Authority's five expense items which include: training programs, employee, supplies and services and depreciation.

2. Comparison to Budget

The Authority's total expenditure in 2022-23 was \$1,120,871 (4.0%) higher than budgeted amount of \$5,470,000. This was mainly due to a higher value of unanticipated funding expended for training program rebates in the upskilling and cross skilling program, for the Silica Prevention Awareness training mandated by WorkSafe ACT.

3. Comparison to 2021-22 Actual Expenditure

The Authority's total expenditure in 2022-23 was \$1,342,317 (4.4%) higher than the prior year amount of \$5,248,554. The Authority's expenditure on training programs is dependent on the number of applications received and the amount of funding requested. This year training program expenses across the upskilling and professional development was higher than the previous year due to the mandatory Silica Prevention awareness training for all eligible workers in the ACT.

4. Future Trends

The Authority is anticipating that expenditure on the Authority's 5 expenditure items in the operating statement for financial year 2023-24 will be in line with the training expenses budgeted for 2023-24 to be \$4,700,000.

Total Income

1. Components of Income

The Authority's total income in 2022-23 was \$4,597,610. This income was derived from levy income charged on building and construction projects and interest earned on cash held at bank.

2. Comparison to Budget

The Authority's income for the year ending 30 June 2023 was \$4,597,610 which was \$999,390 (17.9%) lower than the budgeted amount of \$5,597,000. This was due to levy income from building applications being less than expected due to a lower value of work applicable to building and construction projects liable for the levy being approved 2022-23.

3. Comparison to 2021-22 Actual Income

The Authority's income for the year ending 30 June 2023 was \$4,597,610 which was \$164,424 (3.4%) lower than the income of \$4,762,034 in 2021-22. This decrease in income was due to levy income from building applications being less than expected due to a lower value of work applicable to building and construction projects liable for the levy being approved 2022-23.

4. Future Trends

The Authority is anticipating that levy income in the financial year 2023-24 will be higher than the income in 2022-23, mainly due to a projected increase in value of activities in the residential apartment construction, commercial construction sector, and residential homes in estate developments and civil infrastructure projects in the ACT.

Financial Position of the Authority Total Assets

1. Components of Total Assets

The Authority's assets as of 30 June 2023 were \$4,717,453 which consist of cash, receivables 92%, other assets 0.3% and property plant and equipment 7.7%.

2. Comparison to Budget

The Authority's total assets as of 30 June 2023 were \$1,752,547 (27.1%) lower than the budgeted amount of \$6,470,000. This was mainly due to a decrease in cash because of lower levy income received during the year from lower levies collected by Access Canberra from applicable building and construction project work and higher training program expenses for the upskilling and cross skilling program. *Work Health & Safety Amendment Regulation 2022 (No1) (ACT)* requires employers to ensure all relevant workers have Crystalline silica awareness training by 1 July 2023. Receivables are not impaired or overdue. All amounts are statutory in nature.

3. Comparison to 2021-22 Actual

The Authority's total assets as of 30 June 2023 were \$1,694,323 (26.4%) lower than the 2021-22 actual result of \$6,411,776. This was mainly due to a decrease in cash because of the previously discussed lower levy income received during the year and an increase in training program expenses across the upskilling and cross skilling program.

4. Liquidity

Liquidity is the ability of the Authority to satisfy its short- and long-term debts as they fall due. The Authority has a short-term liquidity ratio of 3.7:1 which indicates that it is in a strong position to meet its short-term financial commitments. This is lower than budgeted due to *Work Health & Safety Amendment Regulation 2022 (No1) (ACT)* requires employers to ensure all relevant workers have Crystalline Silica awareness training by 1 July 2023.

Total Liabilities

1. Components of Total Liabilities

The Authority's total liabilities for the year ending 30 June 2023 were \$1,433,632 which is made up of payables 63.8%, lease liabilities 18.6% and employee benefits 11.5%.

2. Comparison to Budget

The Authority's total liabilities were \$276,632 (23.9%) higher than the budgeted amount of \$1,157,000 in 2022-23. This is mainly due to higher than anticipated payables for training rebates, received and paid after 30 June due to delays in receiving invoices from RTOs for the unbudgeted training program Crystalline Silica awareness.

3. Comparison to 2021-22 Actual

The Authority's total liabilities was \$298,938 (26.3 %) higher than the actual liabilities of \$1,134,694 in 2021-22. This was mainly due to an increase in payables on 30 June 2023. All payables are with Non-ACT Government entities and have increased due to a higher value of training rebate invoices associated with mandatory Crystalline Silica awareness training, being received after 30 June 2023 compared to 30 June 2022.

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**BUILDING AND CONSTRUCTION
INDUSTRY TRAINING FUND AUTHORITY**
ABN 72 484 134 864

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF RESPONSIBILITY

In my opinion, the financial statements are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2023 and the financial position of the Authority on that date.

Michael Young
Chairman
Building and Construction Industry Training Fund Authority

September 2023



BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards and are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2023, and the financial position of the Authority on that date.

Glenn Carter
Chief Executive Officer
Building and Construction Industry Training Fund Authority

1st September 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the ACT Building and Construction Industry Training Fund Authority (Authority) for the year ended 30 June 2023 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Authority's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Authority for the financial statements

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Authority.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

I communicated with the Governing Board of the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.



Rosa San Miguel
Audit Principal, Financial Audit
20 September 2023

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2023**

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

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**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Income				
Levy Income	4	4,404,840	5,500,000	4,702,738
Interest Revenue		192,770	97,000	59,296
Total Income		4,597,610	5,597,000	4,762,034
Expenses				
Training Program Expenses	5	5,741,610	4,700,000	4,410,378
Employee Expenses	6	490,572	501,000	491,320
Supplies and Services	7	255,540	185,000	237,168
Depreciation		103,418	77,000	102,338
Borrowing Costs		(269)	7,000	7,350
Total Expenses		6,590,871	5,470,000	5,248,554
Operating Result		(1,993,261)	127,000	(486,520)
Total Comprehensive Result		(1,993,261)	127,000	(486,520)

The above Operating Statement is to be read in conjunction with the accompanying notes.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**BALANCE SHEET
AS AT 30 JUNE 2023**

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Current Assets				
Cash	8	3,969,842	5,809,000	5,605,130
Receivables	9	372,438	309,000	377,312
Other Assets		14,362	12,000	12,360
Total Current Assets		4,356,642	6,130,000	5,994,802
Non-Current Assets				
Property, Plant and Equipment	10	360,811	340,000	416,974
Total Non-Current Assets		360,811	340,000	416,974
Total Assets		4,717,453	6,470,000	6,411,776
Current Liabilities				
Payables	11	914,026	619,000	596,789
Employee Benefits	12	165,099	149,000	148,453
Lease Liabilities	13	75,131	78,000	78,067
Total Current Liabilities		1,154,256	846,000	823,309
Non-Current Liabilities				
Lease Liabilities	13	267,222	311,000	296,716
Other Liabilities		12,154	-	14,669
Total Non-Current Liabilities		279,376	311,000	311,385
Total Liabilities		1,433,632	1,157,000	1,134,694
Net Assets		3,283,821	5,313,000	5,277,082
Equity				
Accumulated Funds		3,283,821	5,313,000	5,277,082
Total Equity		3,283,821	5,313,000	5,277,082

The above Balance Sheet is to be read in conjunction with the accompanying notes.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Accumulated Funds Actual 2023 \$	Total Equity Actual 2023 \$	Total Equity Original Budget 2023 \$
Balance at 1 July 2022	5,277,082	5,277,082	5,186,000
Comprehensive Income			
Operating Result	(1,993,261)	(1,993,261)	127,000
Total Comprehensive Result	(1,993,261)	(1,993,261)	127,000
Balance at 30 June 2023	3,283,821	3,283,821	5,313,000

	Accumulated Funds Actual 2022 \$	Total Equity Actual 2022 \$
Balance at 1 July 2021	5,763,602	5,763,602
Comprehensive Income		
Operating Result	(486,520)	(486,520)
Total Comprehensive Result	(486,520)	(486,520)
Balance at 30 June 2022	5,277,082	5,277,082

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note No.	Actual 2023 \$	Original Budget 2023 \$	Actual 2022 \$
Cash Flows from Operating Activities				
Receipts				
Levies		4,409,068	5,500,000	4,773,612
Interest Received		192,770	97,000	59,296
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		348,233	250,000	289,965
Total Receipts from Operating Activities		4,950,071	5,847,000	5,122,873
Payments				
Employee Payments		470,725	501,000	480,032
Training Programs		5,504,663	4,700,000	4,301,502
Supplies and Services		248,874	185,000	243,484
Borrowing Costs		2,246	7,000	9,865
Goods and Services Tax Paid to Suppliers		279,166	250,000	283,851
Total Payments from Operating Activities		6,505,674	5,643,000	5,318,734
Net Cash Inflows/(Outflows) from Operating Activities		(1,555,603)	204,000	(195,861)
Cash Flows from Investing Activities				
Payments				
Purchase of Property, Plant and Equipment		225	-	-
Total Payments from Investing Activities		225	-	-
Net Cash (Outflows) from Investing Activities		(225)	-	-
Cash Flows from Financing Activities				
Payments				
Repayments of Lease Liabilities - Principal	13	79,460	-	73,558
Total Payments from Financing Activities		79,460	-	73,558
Net Cash (Outflows) from Financing Activities		(79,460)	-	(73,558)
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,635,288)	204,000	(269,419)
Cash at the Beginning of the Reporting Period		5,605,130	5,605,000	5,874,549
Cash at the End of the Reporting Period	8	3,969,842	5,809,000	5,605,130

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. OBJECTIVES OF BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

The Authority is a not-for-profit ACT Government entity (as profit is not its principal objective) that administers the ACT Building and Construction Industry Training Fund (the Fund). The Fund receives the Building and Construction Industry Training Levy which is collected directly, or via Access Canberra. The Levy is charged on applicable building and construction projects, at the rate of 0.2% of the value of the project.

The Authority assesses funding applications received from eligible applicants, and provides training rebates from the Fund, where the criteria of the Training Plan are satisfied.

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirement

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for Territory Authorities. The FMA and the *Financial Management Guidelines* issued under the Act, requires the financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Statement of Cash Flows for the year;
- (v) the significant accounting policies adopted for the year; and
- (vi) other statements as are necessary to fairly reflect the financial operations of the Authority during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards (as required by the FMA); and
- (ii) ACT Accounting and Disclosure Policies.

Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for property, plant and equipment and financial instruments which are valued at fair value in accordance with the re(valuation) policies applicable to the Authority during the reporting period.

Currency

The financial statements are presented in Australian dollars which is the Authority's functional currency.

Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Authority for the year ended 30 June 2023 together with the financial position of the Authority as at 30 June 2023.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2022-23 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Statement of Intent.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Rounding

All amounts in the financial statements have been rounded to the nearest dollars (\$). Use of “-” represents zero amounts or amounts rounded down to zero.

Going Concern

The 2022-23 financial statements have been prepared on a going concern basis. The Authority has sufficient assets to settle its liabilities.

NOTE 3. IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are either not relevant to the Authority or have been assessed as having an immaterial financial impact on the Authority.

NOTE 4. LEVY INCOME

Description and Material Accounting Policies Relating to Levy Income

Levy income is collected in accordance with the *Building and Construction Industry Training Levy Act 1999*.

Levy Income consists of the Building and Construction Industry Training Levy collected on the value of works. The levy is collected by Access Canberra on behalf of the Authority where a building application (BA) is required. Where work does not require a building application (BA), the levy is paid directly to the Authority.

The amount of training levy payable is ascertained by multiplying the estimated value of the work by the rate of the levy, which for this reporting period is 0.2% (2021-22: 0.2%).

Levy income is accounted for under AASB 1058: ‘Income for Not-For-Profit Entities’ and recognised at fair value when the Authority’s right to receive the income is established.

	2023	2022
	\$	\$
Collected from the following sectors:		
ACT Government work not requiring a BA ^a	456,400	810,723
BA work via Access Canberra	3,760,704	3,753,214
Other work not requiring a BA ^b	197,987	140,954
	4,415,091	4,704,891
Levies Refunded ^c	(10,251)	(2,153)
Total Levy Income	4,404,840	4,702,738

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 4. LEVY INCOME (CONTINUED)

- a) Levy Income from ACT Government Directorates and Territory Authorities decreased due to the lower value of applicable building and construction works being undertaken during the year.
- b) Levy Income from Other work not requiring a Building Application increased due to the higher value of applicable work during the year.
- c) Part 3 Section 22 (5) of the *Building and Construction Industry Training Levy Act 1999* allows for a refund if the amount of training levy paid is greater than the amount that would have been payable. The Authority must pay to the project owner an amount equal to the difference.

NOTE 5. TRAINING PROGRAM EXPENSES

Description and Material Accounting Policies Relating to Training Program Expenses

Training Program Expenses consist of training rebates provided for Up-Skilling and Cross-Skilling, Entry Level Training, Research and Development, Access and Equity and Promotion and Marketing.

	2023	2022
	\$	\$
Up-Skilling and Cross-Skilling ^a	3,483,749	2,019,860
Entry Level Training	1,616,450	1,705,619
Research and Development	106,477	124,820
Access and Equity	411,820	485,975
Promotion, Marketing and Sponsorship ^b	123,114	74,104
Total Training Program Expenses	5,741,610	4,410,378

- a) Up-Skilling and Cross-Skilling costs increased due to *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023 (since amended to 1 October 2023).
- b) Sponsorship funding increased due to higher numbers of - and an overall increased value of sponsorship provided - to applications from eligible industry initiatives received and approved during the reporting period.

NOTE 6. EMPLOYEE EXPENSES

Description and Material Accounting Policies Relating to Employee Expenses

Employee benefits include:

- (i) short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services; and
- (ii) other long-term benefits, such as long service leave and annual leave.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

(See *Note 12 - Employee Benefits* for accrued wages and salaries, and annual and long service leave).

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 6. EMPLOYEE EXPENSES (CONTINUED)

Description and Material Accounting Policies Relating to Employee Expenses (Continued)

Staff superannuation entitlements are paid directly to the employee's fund of choice superannuation accumulation schemes, which provide benefits to employees on retirement, death or disability.

During the reporting period the Authority contributed 10.5% of the employees' gross salaries in accordance with a legally enforceable obligation on the Authority to contribute to the superannuation funds.

The respective superannuation funds recognise the superannuation liability of each employee.

	2023	2022
	\$	\$
Wages and Salaries	409,332	416,537
Annual Leave Expense	6,452	(6,116)
Long Service Leave Expense	10,385	16,636
Workers' Compensation Insurance Premiums	3,202	3,266
Superannuation to External Providers	61,201	60,997
Total Employee Expenses	490,572	491,320

NOTE 7. SUPPLIES AND SERVICES

Description and Material Accounting Policies Relating to Supplies and Services

General - Supplies and Services

Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred.

Audit Fees

Audit Fees consists of financial audit services provided to the Authority by the ACT Audit Office and services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit. No other services were provided by the ACT Audit Office.

Insurance

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

Accounting and Payroll services

Accounting and Payroll services consist of financial statement preparation including preparation of the annual shell documents, financial statements and notes informing year ending 30 June, fringe benefits taxation calculations and submission to the ATO and Business Activity statement preparation and submission to ATO.

Consultants Fees

Consultant Fees consists of a Service Level Agreement with CRE8IVE for website support, maintenance and finalisation development of the Authority Application for mobile phones, apple and android during the year ending 30 June 2023.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 7. SUPPLIES AND SERVICES (CONTINUED)

	2023	2022
	\$	\$
Audit Fees	49,725	41,251
Accounting and Payroll Services ^a	35,800	43,930
Communications ^b	21,484	2,668
Computing Costs	1,127	1,027
Consultants' Fees	39,420	39,320
Levy Collection Fee	24,727	24,727
Insurance	1,666	1,690
Legal Fees ^c	300	7,260
Motor Vehicles - Operating Expenses	8,697	6,780
Motor Vehicles – Lease Payments	14,606	13,746
Postage, Printing and Stationery	2,790	4,506
Sitting Fees Paid to Board Members	30,895	31,205
Subscriptions	7,351	6,506
Travel ^d	2,740	150
Utilities	1,914	1,917
Other	12,298	10,485
Total Supplies and Services	255,540	237,168

- a) Accounting and Payroll Services costs decreased due to the timing of payments for services during the year.
- b) Communications costs increased due to the recently developed Authority application services on both Apple and Google play. Costs include refreshed website hosting, application management system support and phone app store costs.
- c) Legal fees decreased due to a lower than previous year requirement for legal advice with respect to levy compliance.
- d) Travel costs increased due to the recommencement of the annual meeting of the members of the Australian Forum of Construction Industry Training Funds for Chief Executive Officers and Chairs. These were suspended over previous years due to state and territory Governments' border closures and travel restrictions associated with the Covid 19 pandemic.

ASSET NOTES

Material Accounting Policies – Assets

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within twelve months after the reporting date. Assets which do not fall within the classification of current are classified as non-current.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8. CASH

Description and Material Accounting Policies Relating to Cash

Cash includes cash at bank and cash on hand.

The Authority holds two bank accounts with Westpac Banking Corporation, separate to the whole-of-government banking arrangements. The Authority receives interest on these accounts.

	2023	2022
	\$	\$
Cash at Bank	3,969,622	5,604,910
Cash on Hand	<u>220</u>	<u>220</u>
Total Cash	<u>3,969,842</u>	<u>5,605,130</u>

a) Reconciliation of Cash at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet:

Cash recorded in the Balance Sheet:

Cash at Bank	3,969,622	5,604,910
Cash on Hand	<u>220</u>	<u>220</u>
Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows	<u>3,969,842</u>	<u>5,605,130</u>

b) Reconciliation of the Operating Result to the Net Cash (Outflows) from Operating Activities

Operating Result	(1,993,261)	(486,520)
Add: Non-Cash Items:		
Depreciation	103,418	102,338
Changes in Operating Assets and Liabilities:		
Decrease in Receivables	4,874	75,227
(Increase)/Decrease in Other Assets	(2,002)	6,597
Increase in Payables	317,237	100,989
Increase in Employee Benefits	16,646	8,023
(Decrease) in Other Liabilities	<u>(2,515)</u>	<u>(2,515)</u>
Net Cash (Outflows) from Operating Activities	<u>(1,555,603)</u>	<u>(195,861)</u>

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 9. RECEIVABLES

Description and Material Accounting Policies Relating to Receivables

Accounts receivable are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Receivables consists of payments received by Access Canberra from private developers, on behalf of the Authority, which has not been remitted to the Authority by 30 June, and levies receivable by the Authority for work not requiring a BA which were carried out during the year.

	2023	2022
	\$	\$
Current Receivables		
Net Goods and Services Tax Receivable	69,957	69,067
Receivables	<u>302,481</u>	<u>308,245</u>
Total Current Receivables	<u>372,438</u>	<u>377,312</u>
Ageing of Receivables		
Not Impaired and Not Overdue	<u>372,438</u>	<u>377,312</u>
Classification of ACT Government/ Non-ACT Government Receivables:		
Receivables with ACT Government Entities		
Receivables	<u>302,259</u>	<u>237,851</u>
Total Receivables with ACT Government Entities	<u>302,259</u>	<u>237,851</u>
Receivables with Non-ACT Government Entities		
Receivables	222	70,394
Net Goods and Services Tax Receivable	<u>69,957</u>	<u>69,067</u>
Total Receivables with Non-ACT Government Entities	<u>70,179</u>	<u>139,461</u>
Total Receivables	<u>372,438</u>	<u>377,312</u>

Receivables are not impaired or overdue. All amounts due are statutory in nature.

BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Description and Material Accounting Policies Relating to Property, Plant and Equipment

The Authority has the following four classes of Property, Plant and Equipment:

- **Right-Of-Use Buildings** are leased structures and land improvements that are separately identifiable from the land they are constructed upon. Right-Of-Use buildings include the leased office space.
- **Right-Of-Use Plant and Equipment** has the same definition as plant and equipment, with the exception that they are held under a lease. Plant and Equipment held by The Authority includes motor vehicles.
- **Leasehold Improvements** are capital expenditure items incurred in relation to leased assets. Leasehold improvements represent fit-outs in leased buildings.
- **Plant and Equipment** are tangible assets like machinery, motor vehicles, implements or tools used by The Authority to provide services. Plant and equipment tend to be smaller and more mobile in nature than other types of property, plant and equipment like buildings and land. Plant and Equipment includes office furniture and computer equipment.

Acquisition and Recognition of Property, Plant and Equipment

Property, Plant and Equipment are initially recorded at cost. Right-of-Use assets are also measured at cost on initial recognition, where cost comprises the initial amount of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The Authority capitalises purchases of plant and equipment costing more than \$300.

Measurement of Property, Plant and Equipment After Initial Recognition

Subsequent to initial recognition, the Authority measures its Property, Plant and Equipment at cost.

After the commencement date, all right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of the lease liability. Right-of-use assets are presented in property, plant and equipment in their own separate asset class.

Assets have been assessed for impairment and no material impairment exists.

Depreciation and Useful Life

Depreciation is the systematic allocation of the cost of an asset less its residual value over its useful life.

Depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Right-of-use buildings, Right-of-use plant and equipment, leasehold improvements, and plant and equipment, are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values, which remain for each asset.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation for non-current assets is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Right-of-Use Buildings	Straight Line	10
Right-of-Use Plant and Equipment	Straight Line	2-3
Leasehold Improvements	Straight Line	10
Plant and Equipment	Straight Line	3-6

Reconciliation of Property, Plant and Equipment – 2022-23

	Plant and Equipment	Leasehold Improvements	Right-of-use Buildings	Right-of-use Plant and Equipment	Total
	\$	\$	\$	\$	\$
Carrying Amount at Beginning of the Reporting Period	12,114	74,121	289,426	41,313	416,974
Additions	225	-	-	47,030	47,255
Depreciation	(7,806)	(12,109)	(49,761)	(33,742)	(103,418)
Carrying Amount at End of the Reporting Period	4,533	62,012	239,665	54,601	360,811

Reconciliation of Property, Plant and Equipment – 2021-22

	Plant and Equipment	Leasehold Improvements	Right-of-use Buildings	Right-of-use Plant and Equipment	Total
	\$	\$	\$	\$	\$
Carrying Amount at Beginning of the Reporting Period	20,421	86,230	339,187	32,738	478,576
Additions	--	-	-	40,736	40,736
Depreciation	(8,307)	(12,109)	(49,761)	(32,161)	(102,338)
Carrying Amount at End of the Reporting Period	12,114	74,121	289,426	41,313	416,974

LIABILITY NOTES

Material Accounting Policies – Liability

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within twelve months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Liabilities, which do not fall within the classification of current, are classified as non-current.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11. PAYABLES

Description and Material Accounting Policies Relating to Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after an invoice is received.

Payables include Trade Payables and Accrued Expenses.

	2023	2022
	\$	\$
Current Payables		
Accrued Expenses	914,026	596,789
Total Payables	<u>914,026</u>	<u>596,789</u>
Payables are aged as follows:		
Not Overdue	<u>914,026</u>	<u>596,789</u>

Payables increased due to a higher value of invoices being received after 30 June for training which occurred during the year, as a result of *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023, (since amended to 1 October 2023).

NOTE 12. EMPLOYEE BENEFITS

Description and Material Accounting Policies Relating to Employee Benefits

Employee expenses are listed in *Note 6 - Employee Expenses*.

Accrued Salaries and Wages

Accrued salaries and wages are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the related service, are measured at the present value. The present value is determined based on estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption they will be wholly settled within one year. In 2022-23 the rate used to estimate the present value of future annual leave payments is 98.2% (101.8% in 2021-22).

In 2022-23, the rate used to estimate the present value of future payments for long service leave is 93.0% (95.3% in 2021-22).

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12. EMPLOYEE BENEFITS (CONTINUED)

Description and Material Accounting Policies Relating to Employee Benefits (Continued)

Annual and Long Service Leave (Continued)

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for long service leave requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

	2023	2022
	\$	\$
Current Employee Benefits		
Annual Leave	35,009	28,556
Accrued Salaries and Superannuation	2,368	1,652
PAYG Withholding Payable	5,776	10,358
Superannuation Payable	3,051	-
Fringe Benefits Tax	8,570	7,947
Long Service Leave	110,325	99,940
Total Current Employee Benefits	165,099	148,453
 Total Employee Benefits	 165,099	 148,453

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12. EMPLOYEE BENEFITS (CONTINUED)

	2023	2022
Estimate of when Leave is Payable		
Estimated Amount payable within 12 Months		
Annual Leave	35,009	28,556
Accrued Salaries and Superannuation	2,368	1,652
PAYG Withholding Payable	5,776	10,358
Superannuation Payable	3,051	-
Fringe Benefits Tax	8,570	7,947
Long Service Leave	31,916	-
Total Employee Benefits Payable within 12 Months	<u>86,690</u>	<u>48,513</u>
Estimated Amount payable after 12 Months		
Long Service Leave	78,409	99,940
Total Employee Benefits Payable after 12 Months	<u>78,409</u>	<u>99,940</u>
Total Employee Benefits	<u>165,099</u>	<u>148,453</u>

At 30 June 2023, the Authority employed 3 full-time equivalent staff. There were 3 full-time equivalent staff at 30 June 2022.

Three staff members are eligible to take or use Long Service Leave in the next twelve months.

NOTE 13. LEASE LIABILITIES

Description and Material Accounting Policies Relating to Lease Liabilities

Authority as a Lessee

The Authority has leases over a building and motor vehicles. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and Conditions of Leases

Building Lease - Office Premises

The Authority has a seven-year non-cancellable operating lease with a three-year Option to Renew, for office premises, which commenced on 1 May 2018. It is expected that the three-year option will be exercised.

The office lease contains a fixed percentage annual price increase at each anniversary of the lease inception.

At the expiry of the lease any improvements or alterations are required to be removed. The requirement is waived should the Authority exercise the Option to Renew.

Motor Vehicle Leases

The Authority has 2 non-cancellable leases for motor vehicles at 30 June. The terms are 24 months and 36 months.

The leases are typically not renewed at the end of the lease period and, where appropriate, new leases are entered into.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13. LEASE LIABILITIES (CONTINUED)

Description and Material Accounting Policies Relating to Lease Liabilities (Continued)

At inception of a contract, the Authority assesses whether a lease exists, that is, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset;
- the Authority has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Authority has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Authority's assessment of lease term.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease.

Exemptions to Lease Accounting

The Authority has elected to apply the exemptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13. LEASE LIABILITIES (CONTINUED)

	2023	2022
	\$	\$
Current Lease Liabilities		
Motor Vehicles	25,577	31,222
Building leases	49,554	46,845
Total Current Lease Liabilities	<u>75,131</u>	<u>78,067</u>
Non-Current Lease Liabilities		
Motor Vehicles	29,185	10,247
Building leases	238,037	286,469
Total Non-Current Lease Liabilities	<u>267,222</u>	<u>296,716</u>
Total Lease Liabilities	<u>342,353</u>	<u>374,783</u>
Reconciliation of Lease Liabilities		
Opening Balance of Lease Liabilities	374,783	407,604
Add: Additional Lease Liabilities taken up in the Current Reporting Period	47,030	40,737
Less: Payments to Reduce the Principal of the Liability	(79,460)	(73,558)
Closing Balance of Lease Liabilities	<u>342,353</u>	<u>374,783</u>

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 14. FINANCIAL INSTRUMENTS

Description and Material Accounting Policies Relating to Financial Instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in the note to which they relate. In addition to these policies, the following are also accounting policies relating to financial assets and liabilities.

The Authority's financial assets consists of cash and receivables and are measured at amortised cost under AASB 9 *Financial Instruments*. Financial liabilities are measured at amortised cost.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Authority has credit risk exposure from its cash and receivables balances.

Credit risk is managed by the Authority by only holding its cash with the Westpac Banking Corporation.

The Authority has exposure to credit risk from potential loss of revenue from non-payment of levies. As levy income is the major source of revenue for the Authority the risk is significant. The *Building and Construction Industry Training Levy Act 1999* provides that levies are payable by project owners and stipulates when the payment becomes due, but does not provide the Authority with procedures to collect the levies without recourse to legal action. Penalties can be imposed on project owners for non-payment. Access Canberra collects the levy on building and construction projects when a building approval is issued. The Authority collects levies from estate developers for civil and infrastructure activities and if the levy is not paid, the Authority can undertake legal action to collect the debt.

Credit Risk in regard to Receivables is considered minimal as the payment of levies is statutory in nature.

There have been no changes in credit risk exposure since the last reporting period.

Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Authority ensures that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. This ensures the Authority has enough liquidity to meet its emerging financial liabilities.

The Authority's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 14. FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value of Financial Assets and Liabilities

The carrying values of financial assets and financial liabilities approximates their fair value at the end of the reporting period.

All financial assets and liabilities of the Authority are non-interest bearing.

All financial assets and liabilities are measured subsequent to initial recognition at amortised cost. As such, no Fair Value Hierarchy disclosures have been made.

Carrying Amount of Each Category of Financial Asset and Financial Liability

	2023	2022
	\$	\$
Financial Assets		
Receivables	302,481	308,245
Total Financial Assets Measured at Amortised Cost	<u>302,481</u>	<u>308,245</u>
Financial Liabilities		
Payables	914,026	596,789
Lease Liabilities	342,353	374,783
Total Financial Liabilities Measured at Amortised Cost	<u>1,256,379</u>	<u>971,572</u>

NOTE 15. CONTINGENT LIABILITIES

Material Accounting Policies Relating to Contingent Liabilities

Contingent liabilities are not recognised in the Balance Sheet due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead, they are disclosed and, if quantifiable, the best estimate is disclosed.

Guarantees

The only contingent liability as at 30 June 2023 relates to a Bank Guarantee for the purpose of a security bond for the office lease. The Guarantee of \$12,315 represents three months' rent.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 16. RELATED PARTY DISCLOSURES

Description and Material Accounting Policies Relating to Related Party Disclosures

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

a) Key Management Personnel

Governing Board Members (Appointed by The Minister)

		<u>Representing:</u>
Mr Michael Young	Chairman	Independent
Ms Melissa Adler	Member	Housing Industry Association ACT/NSW
Ms Graciete Ferreira	Member	Master Builders Association (ACT)
Mr Zachary Smith	Member	Construction, Forestry, Mining and Energy Union (ACT Branch)
Mr Matt McCann	Member	Electrical Trades Union of Australia (NSW Branch) Communications, Electrical and Plumbing Union - Electrical Trades Union Division (NSW Branch)

Specified Executives (Non-voting Board Member)

Mr Glenn Carter Chief Executive Officer

This note does not include typical citizen transactions between KMP and the Authority that occur on terms and conditions no different to those applying to the general public.

Compensation of Key Management Personnel

Compensation by the Authority to KMP is set out below.

Total Remuneration to Key Management Personnel	2023	2022
	\$	\$
Governing Board Members		
Board sitting fees	30,895	31,205
Specified Executives		
Short-term employee benefits, consisting of salary, fringe benefits and annual leave expense	186,332	191,137
Post-employment benefits, consisting of contributions to superannuation funds	27,422	27,251
Other long-term employee benefits, consisting of provision for long service leave expense and annual leave expense	12,080	(2,281)
	<u>256,729</u>	<u>247,312</u>

Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Authority.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 16. RELATED PARTY DISCLOSURES (CONTINUED)

b) Transactions with Parties Related to Key Management Personnel

The following organisations, with whom Board Members have disclosed an ongoing interest, received funding from the Authority for training programs. The funding was provided in accordance with the training plan and was paid in accordance with normal terms and conditions.

The Board members with an ongoing interest in the relevant organisations did not participate in the Authority's funding decisions of the Authority.

	2023	2022
	\$	\$
CFMEU ACT Branch	-	10,715
Construction Charitable Works	19,940	-
Creative Safety Initiatives	223,319	193,620
Housing Industry Association of the ACT/NSW	358,823	320,577
Master Builders Association (ACT)	29,050	11,615
MBA Group Training	1,144,195	908,605
	<u>1,775,327</u>	<u>1,445,132</u>

Variations in the amounts funded from year to year reflect the amounts applied for by the relevant associations, and approved by the Authority.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17. BUDGETARY REPORTING

Significant Accounting Judgements and Estimates – Budgetary Reporting

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line-item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements: and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 2.5% and \$500,000 of the budget for the financial statement line item.

Original budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect to the reporting period (2022-23 Statement of Intent).

Operating Statement Line Items	Variance Explanation	Actual 2022-23 \$	Original Budget 2022-23 \$	Variance \$	Variance %
Levy Income	1	4,404,840	5,500,000	(1,095,160)	(19.91)
Training Program Expenses	2	5,741,610	4,700,000	1,041,610	22.16

Variance Explanations

1. Levy income consists of the Building and Construction Industry Training Levy collected on the value of works. The levy is collected by Access Canberra on behalf of the authority where a Building Application (BA) is required. Where work does not require a BA, the levy is paid directly to the Authority. The amount of training levy payable is ascertained by multiplying the estimated value of work by the rate of the levy 0.2%. 2022-23 actual levy income received, was less than the budgeted amount, as a result of lower values of works and a reduction in approved building applications approved for BA in the year.
2. *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023, (since amended to 1 October 2023), which occurred after the budget was approved. As a result, there was a significantly higher number of requests for training funding. The additional costs were not anticipated in the original budget.

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17. BUDGETARY REPORTING (CONTINUED)

	Variance Explanation	Actual 2022-23 \$	Original Budget 2022-23 \$	Variance \$	Variance %
Balance Sheet Line Items					
Cash	3	3,969,842	5,809,000	(1,839,158)	(31.66)
Payables	4	914,026	619,000	295,026	47.66

Variance Explanations

3. *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023 (since amended to 1 October 2023). As a result, there was a significantly higher number of requests for training funding, which was funded from cash reserves.
4. Payables increased due to a higher value of invoices being received after 30 June for training which occurred during the year, as a result of *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023, (since amended to 1 October 2023).

**BUILDING AND CONSTRUCTION INDUSTRY
TRAINING FUND AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 17. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Variance Explanation	Actual 2022-23 \$	Original Budget 2022-23 \$	Variance \$	Variance %
Levies	5	4,409,068	5,500,000	(1,090,932)	(19.84)
Payments for Training Program Expenses	6	5,504,663	4,700,000	804,663	17.12

Variance Explanations

5. Levy income consists of the Building and Construction Industry Training Levy collected on the value of works. The levy is collected by Access Canberra on behalf of the authority where a Building Application (BA) is required. Where work does not require a BA, the levy is paid directly to the Authority. The amount of training levy payable is ascertained by multiplying the estimated value of work by the rate of the levy 0.2%. 2022-23 actual levy income received, was less than the budgeted amount, as a result of lower values of works approved for BA in the defined period.
6. *Work Health & Safety Amendment Regulation 2022 (No 1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced on 14 July 2022. Schedule 1 inserts section 418D, which contains the requirements for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023 (since amended to 1 October 2023). As a result, there was a higher number of requests for training funding, which resulted in an increased unbudgeted rebate for training to registered training providers who had applied to the Authority and received approval to pass on the rebate to eligible workers.

C.3 Capital Works

The *Authority* purchased additional information technology resources during the year to enable staff to work from home during the COVID19 restrictions.

C.4 Asset Management

1. Assets Managed

The assets managed by the *Authority* are:

- leased office accommodation.
- furniture and fittings.
- information technology resources and equipment which includes:
 - ❖ Three printers, one in office and two at staff residences
 - ❖ Three lap top computers
 - ❖ Three Office computers
 - ❖ Three computer workstations; and
 - ❖ Ipad

2. Assets Maintenance and Upgrade

The *Authority* did carry out asset maintenance upgrade.

3. Office Accommodation

The *Authority* is centrally located on the ground floor at Suite 4, Mungga – Iri House, 18 Napier Close, Deakin ACT 2600, where there is visitor parking available and reasonable disabled access.

Total office area is 115m², with the three administrative staff members located in an open plan arrangement with individual workstations complying with the minimum requirement of 15m² per office employee.

C.5 Government Contracting

The *Authority* did not engage any contractors or consultants during the reporting period.

C.6 Statement of Performance



BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND AUTHORITY

STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF RESPONSIBILITY

To the best of my knowledge the *Statement of Performance* is in agreement with the Building and Construction Industry Training Fund Authority records and fairly reflects the services performance of the Authority for the year ended 30 June 2023 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read 'Michael Young', positioned above a dotted line.

Michael Young
Chairman
Building and Construction Industry Training Fund Authority

September 2023

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the ACT Building and Construction Industry Training Fund Authority (Authority) for the year ended 30 June 2023.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2023 are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Authority's responsibilities for the statement of performance

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Authority.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Authority, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Authority.



Rosa San Miguel
Audit Principal, Financial Audit
20 September 2023

Building and Construction Industry Training Fund Authority
Statement of Performance
For the Year Ended 30 June 2023

Objective	Performance Measure	Original Target 2022-23	Actual Result 2022-23	% Variance from Original Target	Explanatory Notes
Ensure that the training programs funded by the Authority are conducted in accordance with the functions of the Authority and the Authority's funding agreements.	The Authority will conduct audits of Authority funded training programs.	Conduct 25 audits.	Conducted 25 audits.	0%	1
Ensure the funding available for its approved training programs is sufficiently budgeted.	The Authority will have the funds available to fund its approved training programs.	The Authority expects to fund \$4.700 million in training program expenses consistent with the approved training program.	The Authority funded \$5.741 million in approved training program expenses.	22%	2
Ensure the ongoing funding of entry-level apprentices at Group Training Organisations.	The Authority will continue to fund entry-level placements each year at Group Training Organisations.	Funding provided for 350 entry-level placements at Group Training Organisations each year.	The Authority funded 340 entry-level placements at Group Training Organisations.	(3%)	3
Prepare and submit the Authority's annual Training Plan for approval by the Minister by the legislated date.	Obtain approval of the Training Plan by the Minister by the legislated date.	By 31 October 2022.	26 October 2022.	0%	
Ensure the Authority provides on the job training incentives to employers of first year apprentices in trades nominated as skill shortage trades by the Authority.	Provide funding to employers of first year apprentices in trades nominated as skill shortage trades by the Authority.	Provide funding of \$0.050 million to employers of first year apprentices in trades nominated as skill shortage trades by the Authority.	The Authority provided \$0.288 million to employers of first year apprentices in trades nominated as skills shortage trades by the Authority.	476 %	4

Building and Construction Industry Training Fund Authority
Statement of Performance
For the Year Ended 30 June 2023

Objective	Performance Measure	Original Target 2022-23	Actual Result 2022-23	% Variance from Original Target	Explanatory Notes
Ensure funding of training positions for existing workers in accordance with the approved training programs.	The allocation of funding is provided in accordance with the approved training programs.	Provide funding for 6,000 existing worker positions in accordance with the approved training programs.	The Authority funded approved training positions for 20,996 existing workers.	249%	5
Manage the Authority's resources to achieve the budgeted financial result.	Maintain a healthy current ratio over the budget and forward years.	A current ratio of greater than 9.5:1.	3.8:1.	(60%)	6

The above accountability indicators should be read in conjunction with the accompanying notes and were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

Notes:

1. The 25 program audits were conducted in accordance with the operational effectiveness of the 2022 Annual Training Plan. The 2022 plan, prepared by the Authority in accordance with its governing legislation, *Building and Construction Industry Training Levy Act 1999* Part 5 25 Approval of training plans, approved by the responsible minister, Minister Chris Steel MLA, Minister for Skills. The program audits were undertaken on training programs undertaken and completed during the calendar year 2022.
2. The Authority expended \$1,041,000 more than its target on training programs. Training Program expenses represent training rebates which have been applied for and granted during the year together with employer apprenticeship payments. The value of applications for training rebates was higher than expected due to *Work Health and Safety Amendment Regulation (No1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023, (since amended to 1 October 2023.) This training was not budgeted for in 2022-23
3. The Authority funded 340 entry-level placements at Group Training Organisations (GTO), 10 places lower than the target. GTOs employed less apprentices in 2022/23 due to one of the larger Group Training Organisations ceasing to continue operating the business in the 4th quarter 2022. There are only 5 GTO's supplying apprentices to industry rather than the previous 6 in the ACT. The actual result is the average of the quarterly entry level placement figures for approved ACT Apprentices under an ACT training contract employed by GTO's.

Building and Construction Industry Training Fund Authority
Statement of Performance
For the Year Ended 30 June 2023

Notes (continued)

- 4.** The Authority's Skill Shortage Incentives payments are provided under the Entry Level Training program. The aim is to increase the number of apprentices entering the industry by supporting employers of apprentices with an incentive payment to employ first year apprentices in the building and construction industries against annual nominated skills shortage trades. The Authority provided more funding for employers employing first year apprentices in the following skills shortage trades nominated by the Authority: bricklaying, painting and decorating, civil construction – various, roof plumbing, stonemasonry, flooring technology, plastering wall and ceiling, plastering solid, mobile plant technology, and locksmithing. These additional apprentices will assist the future skill needs for the industry.
- 5.** The Authority funded an additional 14,996 approved training positions for existing workers successfully completing approved training programs due to *Work Health and Safety Amendment Regulation (No1) (ACT)* (the amending regulation) which was notified on 30 June 2022 and commenced 14 July 2022. Schedule 1 inserts section 418D, which contains the requirement for employers to ensure all relevant workers have crystalline silica awareness training by 1 July 2023, (since amended to 1 October 2023.) The variance from target was due to the Authority receiving and approving a higher number of training program applications for rebates and a higher number of eligible participants successfully completing approved training programs. The training was not budgeted for in 2022-23
- 6.** Current Ratio = Current Assets / Current Liabilities. The actual result (3.8:1) was lower than target (9.5:1). This is a combination of lower cash amounts held due to transfer from the reserve account to operational account to fund increased training outcomes from unbudgeted Crystalline silica awareness training and higher accrued expenses associated with invoices related to previously discussed Crystalline silica awareness training received after 30 June.

Section D – Whole of Government Annual Reporting:

D.1 Bushfire Risk Management

The *Authority* is neither a manager of unleased Territory Land nor the owner (i.e. lessee or occupier) of Territory Land, therefore has no reporting requirements under the *Emergencies Act 2004* (Section 85).

D.2 Human Rights

The *Authority* supports and works to the principles outlined in the *Human Rights Act 2004* to respect, protect and promote human rights.

In its commitment to ensure human rights standards are incorporated into the *Authority's* operation, the following measures have been taken to respect, protect and promote human rights:

- All employees were provided with a copy of the *Human Rights Act 2004*;
- An Equal Employment Opportunity / Harassment Policy was formulated and promulgated to all staff;
- The *Authority* operates in an environment of open communication;
- Staff members are encouraged to attend regular staff meetings and corporate planning workshops; and
- All existing and potential clients as well as staff are treated with respect, dignity and equality.

D.3 Legal Services Directions

This report is prepared in accordance with section 15 of the *Law Officer Act 2011*.

The Chief Executive Officer has the following procedures in place to ensure that the *Authority* is aware of and complying with the Guidelines.

- (1) All instructions in relation to disputes are passed to the Chief Executive Officer and a report is available to the board of the *Authority* in relation to the progress of matters;
- (2) The *Authority's* legal services are provided by Trinity Law, which reviews the *Authority's* instructions to ensure compliance with the guidelines. The *Authority* is able to rely upon Trinity Law to identify those matters where a question arises and to ensure compliance under section 11, such as the *Law Officers (General) Legal Services Directions* and with the Model Litigant Guidelines 2010 and to address it or elevate it within the *Authority* as appropriate; and
- (3) All staff involved in claims procedures or other decisions which may at some point become the subject of litigation are informed of the guidelines and instructed to comply with them, referring any queries to the Chief Executive Officer.

No breaches of the Model Litigant Guidelines by the *Authority* occurred during the financial year.

D.4 Territory Records

The *Authority* is aware of its statutory responsibilities under the *Territory Record Act 2002* and retains all records (electronically or hard copy format) relating to the collection of the training levy and the programs it administers.

The *Authority* has taken steps to ensure compliance with the *Territory Records Act 2002*. The *Authority's* records management program is accurate and accountable to the Act.

The public are able to inspect the records management program at the Training Fund *Authority's* registered office in accordance with section 21(1) of the Territory Records Act.

Section E – State of the Service Report:

E.1 Workforce Profile

The Authority has completed and provided the workforce profile at B.10 – Human Resources Management

E.2 Culture and Behaviour

The *Authority's* staff are aware of and adhere to the Government's ethical standards and guidelines and appropriate behaviour through staff meetings, in-house training sessions, ongoing staff feedback and regular performance appraisals. All staff adhere to the values and standards of the Australian Capital Territory Public Service Code of Conduct.

E.3 Learning and Development

During the reporting period, the *Authority* continued to encourage staff to participate in appropriate professional development and training programs that would be beneficial to themselves and the *Authority*. Staff attended professional development and training programs that ensured skills and knowledge were current and enhanced.

E.4 Public Interest Disclosure

The purpose of the *Public Interest Disclosure Act 2012* is to encourage the disclosure of improper conduct. *The Act* requires the *Authority*, as a statutory authority of the ACT Government, to establish and maintain procedures to facilitate the making of public interest disclosures.

The *Authority's* Public Interest Disclosure guidelines advises persons interested in making a disclosure to do so to the *Authority's* Chief Executive Officer, the *Authority's* board or the ACT Ombudsman. No public interest disclosures were reported during the reporting period.

E.5 Public Sector Standards Commissioner

During the reporting period there no investigations by the Public Sector Standards Commissioner.

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Compliance Statement

The 2022-23 ACT Building and Construction Industry Training Fund Authority (*Authority*) Annual Report must comply with the 2023 Annual Report Directions (the Directions). The Directions are found at the ACT Legislation Register: <http://www.legislation.act.gov.au>

The Compliance Statement indicates the subsections, under the five parts of the Directions, which are applicable to the *Authority* and the location of information that satisfies these requirements:

PART 1 – DIRECTIONS OVERVIEW

The requirements under part 1 of the 2023 Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The 2022-23 *Authority* Annual Report complies with all subsections of Part 1 under the Directions.

In compliance with section 13 Feedback, Part 1 of the Directions, contact details for the *Authority* are provided within the 2022-23 *Authority* Annual Report to provide readers with the opportunity to provide feedback.

PART 2 – AGENCY ANNUAL REPORT REQUIREMENTS

The requirements within Part 2 of the Directions are mandatory for all agencies and the *Authority* complies with all subsections. The information that satisfies the requirements of Part 2 is found in the 2022-23 *Authority* Annual Report as follows:

- Transmittal Certificate, see page 5.
- Organisational Overview and Performance, inclusive of all subsections, see pages 7-32.
- Financial Management Reporting, inclusive of all subsections, see pages 33-75.

PART 3 – REPORTING BY EXCEPTION

The *Authority* has nil information to report by exception under Part 3 of the Directions for the 2022-23 reporting period.

PART 4 – AGENCY SPECIFIC ANNUAL REPORT REQUIREMENTS

The *Authority* has no agency specific reporting obligation under the Directions.

PART 5 – WHOLE OF GOVERNMENT ANNUAL REPORTING

The *Authority* does not participate in whole of Government reporting. Consistent with the Directions, the information in relevant sub-sections that satisfy requirements in Part 5 are reported as follows:

- Human Rights see pages 76.
- Freedom of Information see pages 25.
- State of the Service Report see page 77.
- Territory Records see page 76.