



Construction Training Fund

Annual Report

For the year ended
30 June 2023



Contents

Statement of Compliance	4	Agency Performance	16	Employment and industrial relations.....	85
Acknowledgement of Country	5	From the CEO.....	17	Staff development.....	85
Foreword from the Chair	6	The year in review.....	18	Workers compensation.....	85
About the Construction Training Fund	8	Strategic initiatives	20	Governance disclosures.....	85
Overview	10	Report on the operations	27	Indemnity insurance.....	85
Executive Summary.....	10	Actual results versus budget targets	27	Recordkeeping plans.....	85
Performance highlights.....	10	Summary of key performance indicators.....	36	Other legal requirements.....	86
Operational Structure.....	11	Disclosures and Legal Compliance	37	Unauthorised use of credit cards.....	86
Enabling legislation	11	Certification of financial statements.....	39	Advertising, market research, polling and direct mail.....	86
Responsible Minister.....	11	Certification of key performance indicators.....	39	Government policy requirements.....	88
Organisational structure.....	11	Financial Statements.....	45	Contact information	92
Administered legislation.....	14	Additional information in support of key performance indicators.....	77		
Other key legislation impacting the CTF's activities.....	14	Other statutory information	84		
Performance Management Framework.....	15	Ministerial directions	85		
Outcome based management framework.....	15	Other financial disclosures.....	85		
Changes to Outcome based management framework.....	15	Capital works	85		
Shared responsibilities with other agencies	15				

Cover photo:
Apprentices at RJV

Facing page:
Cheyenne from Motivation Foundation

Statement of Compliance

For year ended 30 June 2023
Hon. Simone McGurk
Minister for Training; Water; Youth

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Building and Construction Industry Training Board for the reporting period ending 30 June 2023.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

Reg Howard-Smith
BCITB Chair
12 September 2023

Cheng Rolfe
BCITB Member
12 September 2023





Acknowledgement of Country

The Construction Training Fund acknowledges the Traditional Custodians of the land throughout Western Australia and pay our respects to the Elders both past and present. We thank them for their ongoing custodianship of the lands and waters, and celebrate their rich culture of art, song, dance, language, and stories.



The CTF has had the pleasure of working with **Acacia Collard** to create a piece of art that expresses our company's culture in a unique and special way. Acacia is a Badimia Yamatji-Balladong Noongar woman who specialises in contemporary Aboriginal artworks.

Scan the QR code to watch a video and find out more.



Foreword from the Chair

On behalf of the Building and Construction Industry Training Board (the Board), I am pleased to present the 2022-23 Annual Report. The report outlines the activities and initiatives from the financial year of the Construction Training Fund and its Board.

Western Australia's economy has seen considerable activity, resulting in record apprenticeship numbers, and an increase in interstate migration. The number of apprentice and trainee commencements across the industry has continued to trend upwards in 2022-23, with the highest number of commencements seen this year, compared to the previous nine years. The construction industry currently employs 9.43% of the state's workforce and there continues to be an extensive pipeline of work.

The building and construction industry is fundamental to the sustainable development of the state's economy. The industry has witnessed remarkable development, marked by emerging industry areas which may necessitate a focus of training effort to include renewable energy, climate change, advanced manufacturing, new technologies and new methods of construction.

The demand for skilled workers remained a critical issue for the construction industry in Western Australia during 2022-23. Sourcing labour, material shortages, increased costs and the uncertainty of the marketplace produced a challenging environment to operate in.

During the year, the Construction Training Fund (CTF) hosted multiple stakeholder workshops and industry working groups to ensure that the exchange of information and industry intelligence remained current and focused on key issues for the sector.

The CTF undertook regular surveys of employers and workers in receipt of the CTF subsidies to establish their satisfaction with the quality of training they received.

In 2022-23, the CTF continued to work collaboratively with industry, government and unions during the year and implemented a range of programs to improve employment outcomes and support the industry's current and future needs for skilled workers.

New programs in the financial year included an Apprentice Tool and Safety Equipment rebate of \$500 for eligible apprentices. Ongoing programs include Employer Grants that assist to defray the costs of employing and training an apprentice or trainee.

The CTF continued a \$2.5 million program to support employers and apprentices engaged in the rebuild process in areas affected by declared disasters. This program provides employers with an additional \$2,000 for travelling to and working on reparations in areas affected by the 2021 Woorloo bushfires, Cyclone Seroja in the mid-west or Ex-Cyclone Ellie and associated flooding in the Kimberley in 2023.

Apprentices working in these areas are also eligible to receive \$1,000, to help offset costs incurred by working in these areas. Employers already within the affected districts are eligible to receive an additional \$3,000, to encourage the retention and local development of skills for a sustained workforce. The program is in place until 2025.

The Board conducted visits to Kalgoorlie and Albany during the 2022-23 financial year, hosting a gathering of regional stakeholders and holding a Board meeting in each location. The opportunity for the Board to hear firsthand the highlights and challenges facing the industry in regional settings provided valuable feedback and informed understandings.

During the year the Board farewelled Sandra McInnes and Kate Osborn from the two resources positions on the Board and welcomed new Board members Kerrie Matthews and Emma Doyle.

The Board's Audit, Risk and Performance sub-committee continued to monitor CTF's risk and performance throughout the year. The committee navigated through a suite of internal and external audits resulting in a comprehensive audit and risk profile for the agency. The Board adopted a model to assist in the evaluation of the CTF's core programs, and this model was implemented in the 2022-23 financial year with an evaluation of the Employer Grants program.

The Board's engagement with stakeholders is central to the progress of the CTF in the delivery of our Strategic Plan. I would like to acknowledge the productive working relationships the Board has with the Hon. Simone McGurk MLA, Minister for Training; Water; Youth and the Minister's office; the Department of Training and Workforce Development; the State Training Board; members of the CTF's Construction

Industry Strategic Group (CISG); industry peak bodies; unions and the employers and contractors building the projects across residential, commercial, civil and industrial/resources sectors that are underpinning the economic foundations of the State.

The Board remains steadfast in its mission to support a safe, skilled, and sustainable construction workforce and an inclusive and sustainable industry that meets the needs of today and prepares for the challenges and opportunities of tomorrow. As we reflect on the achievements of the past year, we acknowledge the challenges the industry has encountered.

During times of adversity the strength and resilience of our industry shines through. I would like to acknowledge the enthusiasm and professionalism of the CTF team and their commitment to maintain the highest standards of service delivery for the building and construction industry.

Reg Howard-Smith
Chair
Building and Construction
Industry Training Board



“

The building and construction industry is fundamental to the sustainable development of the state's economy.



About the Construction Training Fund

The Building and Construction Industry Training Board operates as the Construction Training Fund (CTF). The Board is a statutory authority that assists Western Australia's building and construction industry to meet its demand for skilled workers. The Board is comprised of industry representatives and an independent chairperson, appointed by the Minister.

The CTF administers the *Building and Construction Industry Training Fund and Levy Collection Act 1990* (the Act) and collects a training levy on building and construction work in the State. The revenue generated from the levy is returned to the industry's workforce through a range of grants and subsidies, which are designed to reduce costs associated with skills training required by a modern and progressive building and construction industry.

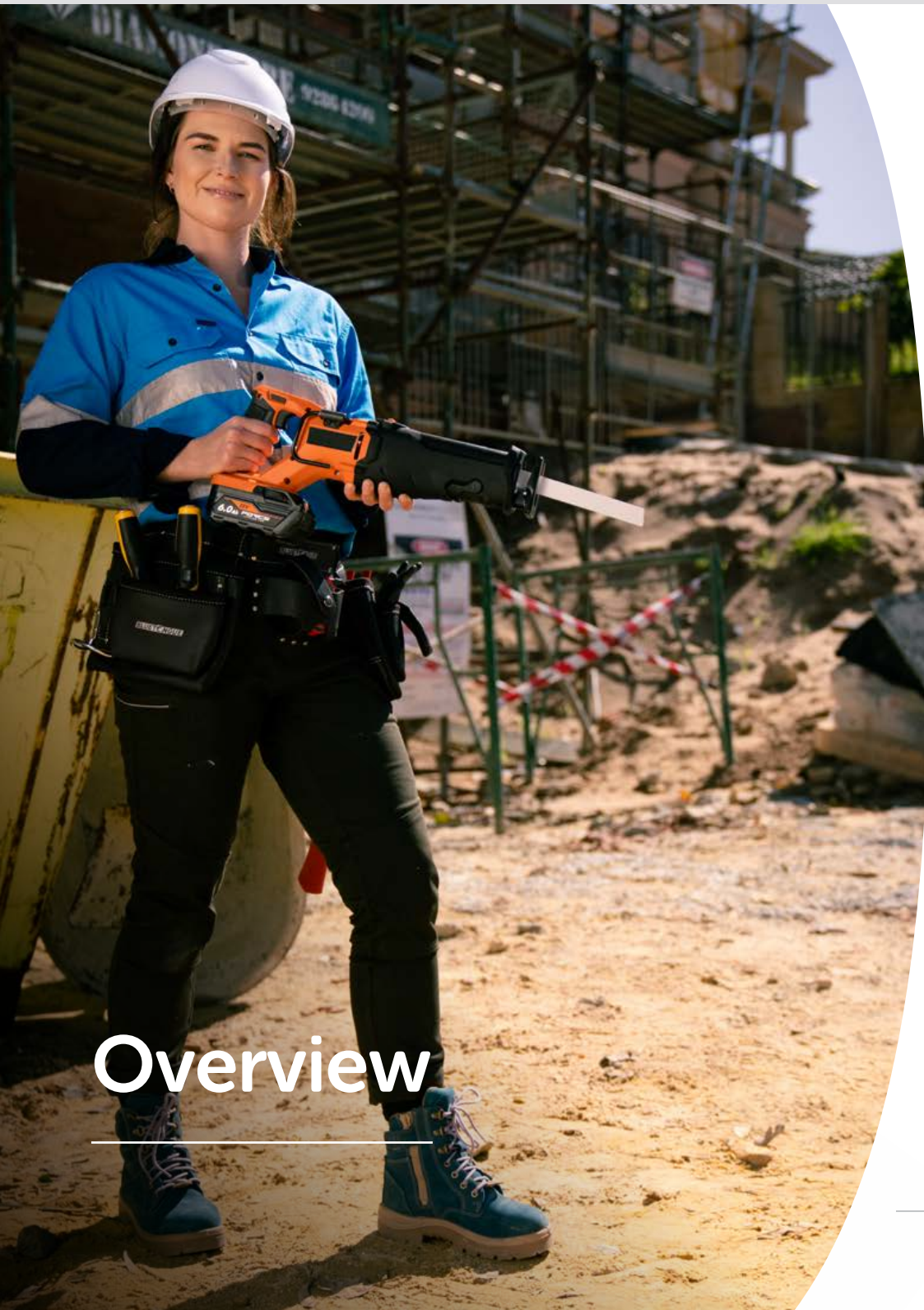
The Board also carries out the role of the Construction Training Council. The Construction Training Council works closely with industry stakeholders and provides advice to Government and the State Training Board ensuring training meets the needs of one of Western Australia's biggest and most diverse industries.

About the CTF



Scan the QR code to watch a video and find out more about the CTF!

Facing page:
CTF Industry Training Advisors
at Skills West Expo



Overview

Executive Summary

Performance Highlights

- The CTF launched and implemented a new Industry Awareness Campaign that celebrates the **skill and craftsmanship involved in building and construction**. This served to elevate the perception of the construction industry whilst instilling a sense of pride and recognition for the people who work in the industry. The campaign acted to raise awareness of the CTF and the funding available to support those working in the industry with training, development and building their skills.
- During the year the CTF ran a program to provide 9,000 apprentices with a **\$500 Apprentice Tool and Safety Equipment rebate**. This funding provided reimbursement of some of the costs incurred by an apprentice when purchasing tools and / or safety equipment required for their apprenticeship. A marketing campaign was produced to raise awareness of this initiative. The program had a positive effect on apprentices continuing in their trade qualification. Of the 9,000 apprentices currently employed in the building and construction industry, 3,390 apprentices benefitted from this program.
- The CTF funded a program specifically for the residential building and construction sector, for **workplace suicide awareness and prevention**. The program was developed to reduce the risk of suicide amongst construction industry workers through active facilitation of appropriate support. The residential sector program complements the existing program for all other sectors in the industry such as the resources, civil and commercial sectors in the metropolitan and regional areas.

Left:
Laura Cairns,
Carpentry apprentice at Humphrey Homes

Operational Structure

The CTF delivers services through the following functions:

- Construction Futures Centre;
- Corporate Services;
- Levy collection;
- Marketing and Communications;
- Programs and grant disbursements;
- Research and Advocacy; and
- Skills Development.

Enabling legislation

The Board was established in 1991, under the *Building and Construction Industry Training Fund and Levy Collection Act 1990*.

Responsible Minister

The Hon. Simone McGurk, MLA, Minister for Training; Water; Youth.

Organisational structure

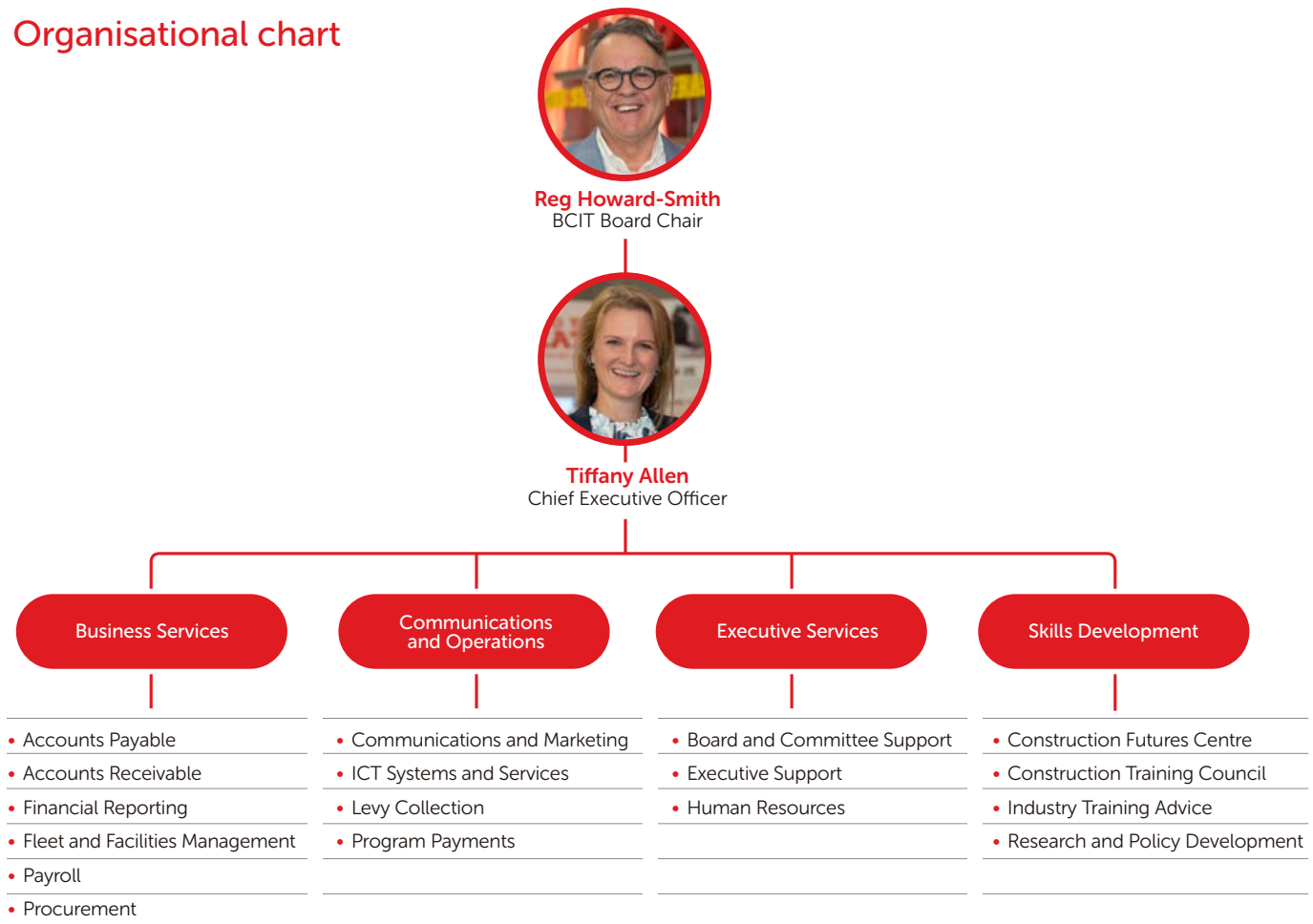
Mission

In collaboration with our stakeholders, we offer initiatives to develop and sustain an agile construction workforce; and to advocate construction as a career for all.

Vision

That the construction industry is a career of choice and is safe, skilled and sustainable.

Organisational chart



Senior officers



Tiffany Allen
Chief Executive Officer

Ms Allen joined the CTF in 2020 following extensive experience in the public sector, including executive roles in the Department of Communities and Department of Regional Development and Lands.



Kylie Armstrong
Director Communications & Operations

Ms Armstrong commenced with the CTF in 2022, with over 25 years VET sector experience following a range of senior roles in the WA TAFE system and the Training Accreditation Council.



Rob Berryman
Director Skills Development

Mr Berryman joined the CTF in 2019, bringing extensive experience from the VET sector, including 10 years at executive level in the WA TAFE system.



Lee Baptie
Business Services Manager

Mr Baptie commenced with the CTF in 2021. Mr Baptie has had 14 years in senior finance roles in the Department for Child Protection, Landgate and the Department of Fire and Emergency Services.



Kerrie Prior
Executive and HR Officer

Ms Prior commenced with the CTF in 2020 and brings over 12 years of executive administration experience from within the public sector, including the Departments of Communities; Regional Development and Lands.

Building and Construction Industry Training Board members



Reg Howard-Smith
Chair

Mr Howard-Smith joined the Board as independent chair in March 2020. He is also Chair of the Resources Community Investment Initiative Advisory Committee and Chair of the Western Australian Building and Construction Consultative Committee. Mr Howard-Smith was the Chief Executive of the Chamber of Minerals and Energy WA, for more than 10 years.



Cheng Rolfe
Member

Ms Rolfe was appointed to the Board in June 2016. She is the People and Culture Manager of DM Civil.



Dean O'Rourke
Member

Mr O'Rourke was appointed to the Board in July 2018. He is the Executive General Manager Residential WA for the ABN Group.



Mick Buchan
Member

Mr Buchan was appointed to the Board in July 2020. He is the State Secretary of the WA Division of the Construction, Forestry, Mining and Energy Union (CFMEU), a position he has held for eight years. Mr Buchan is also Vice-President of Unions WA and is on the boards of MyLeave and Reddifund.



Steve McCartney
Member

Mr McCartney was appointed to the Board in June 2021. He is currently the WA State Secretary of the Australian Manufacturing Workers' Union where he has contributed for over 30 years.



Kerrie Matthews
Member

Ms Matthews was appointed to the Board in 2022 and is Iluka's Project Director, Eneabba Project. Ms Matthews' previous experience spans the resources industry.



Stan Liaros
Member

Mr Liaros was appointed to the Board in July 2020. He is the CEO of The Apprentice and Traineeship Company, Chair of Aqwest (Bunbury Water Corporation) and Commissioner of the Forest Products Commission.



Emma Doyle
Member

Ms Doyle is the newest appointment to the Board in May 2023 and is currently VP HSE Corporate at Woodside Energy.



Paula West
Member

Ms West was appointed to the Board in December 2020. She is the General Manager of Inspired Homes and was the first woman elected as a board member of the Master Builders Association Western Australia (MBAWA).



Administered legislation

The Building and Construction Industry Training Board administers the *Building and Construction Industry Training Fund and Levy Collection Act 1990*, which is incorporated into the *Building and Construction Industry Training Levy Act 1990*.

Other key legislation impacting on the Agency's activities

In the performance of its functions, the Construction Training Fund complies with the following relevant written laws:

- *Auditor General Act 2006*;
- *Disability Services Act 1993*;
- *Electoral Act 1907*;
- *Equal Opportunity Act 1984*;
- *Financial Management Act 2006*;
- *Freedom of Information Act 1992*;
- *Industrial Relations Act 1979*;
- *Long Service Leave Act 1958*;
- *Minimum Conditions of Employment Act 1993*;
- *Procurement Act 2020*;
- *Public Interest Disclosure Act 2003*;
- *Public Sector Management Act 1994*;
- *Salaries and Allowances Act 1975*;
- *State Records Act 2000*; and
- *Work Health and Safety Act 2020*.

Left:
Jade Morris, Refrigeration apprentice

Performance Management Framework

Outcome based management framework

The Outcome Based Management (OBM) framework is a Department of Treasury mandatory requirement, for all state government agencies. The OBM framework describes how outcomes, services and key performance indicators are used to measure system performance.

Government Goal

WA Jobs Plan: Diversify the WA economy, creating local jobs for the future

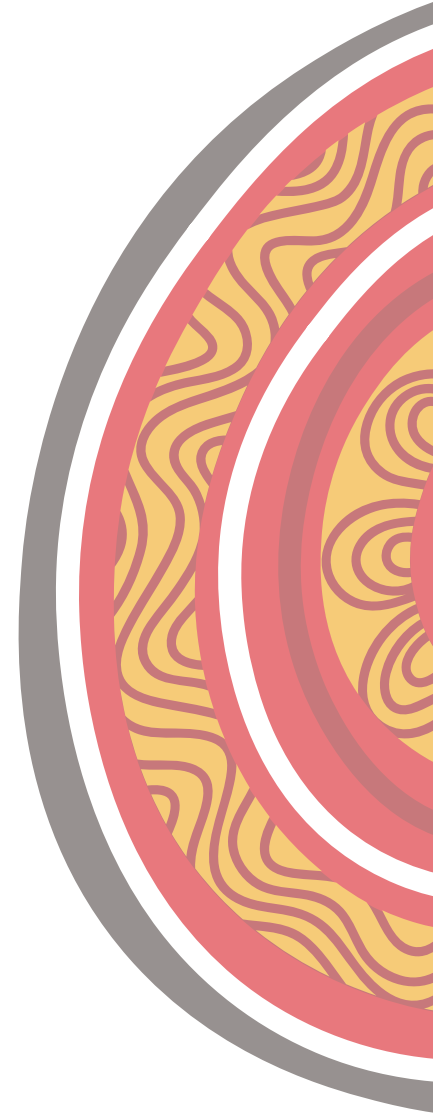
<p>Agency Outcome 1</p>	<p>The Construction Training Fund's programs support an increase in the number of persons in the building and construction industry with the skills required to meet the industry's workforce needs.</p>	<ul style="list-style-type: none"> • Apprentice Tool and Safety Equipment Rebate • Apprenticeship Mentoring • Apprentice Accommodation Allowance • Civil Construction Pilot Program • Construction Careers Scholarships Program • Construction Futures Centre • Disaster Recovery Construction Training Grant • Drivers Licence Support Program • Employer Grants – Direct Indenture and Group Training Organisations • Mature Age Wage Gap Pilot Program • Recognition of Prior Learning • Supplementary Skills and Work Health and Safety Program • Try-a-Trade
<p>Agency Outcome 2</p>	<p>The Construction Training Fund's programs support an improvement in the quality of training for the construction industry.</p>	

Changes to Outcome based management framework

The Construction Training Fund's Outcome Based Management framework did not change during 2022-2023.

Shared responsibilities with other agencies

The Construction Training Fund did not share any responsibilities with other agencies in 2022-2023.



Below:
Christian Malinovic,
Scholarship student and
Ron Simeon, Tiling Lecturer

Agency Performance



From the CEO

The building and construction industry is the backbone of our society, shaping our physical landscape, building the homes we live in and driving economic growth.

However, it is an industry that continues to face unique challenges, constantly evolving in response to technological advancements, regulatory changes, and shifting market dynamics. As we navigate through these complexities, it becomes increasingly important to emphasise the need and significance of skills development and training within its workforce.

The past year has added to previous year's unprecedented obstacles, testing our agility and adaptability. We have witnessed the effects of global disruptions, supply chain constraints, economic uncertainties, and most profoundly, the impact of the ongoing pandemic. Despite these challenges, the spirit of the industry has remained unwavering, and sees them as opportunities for growth and transformation. We firmly believe that investing in a safe and sustainable workforce is the key to building a thriving future ready industry.

The CTF values agility, integrity, collaboration and leadership where we stand behind the construction industry, proudly supporting and building the skilled workforces of today and tomorrow that deliver world class infrastructure for WA.

Significant progress was made by the CTF against the 2021-2025 Strategic Plan actions during the year. Many actions are now moving to a business-as-usual approach, and some reassessed in light of the changing market conditions. Many of the remaining items will be brought into sharp focus this next financial year with many being the culmination of prior years' hard work.

The CTF's Operational Plan also saw significant activity, with the majority of initiatives being completed. Ongoing initiatives will be included in the new financial year and sustained to achieve the important goals set to support our industry.

During the year the CTF delivered a number of successful programs that included an Apprentice Tool and Safety Equipment Rebate, mentoring programs, funding for the wage gap for mature age apprentices and delivery of driver's licence training support for our scholarship students. We continued to deliver suicide awareness and prevention training to the industry and a pre-employment skills package for non-traditional workers. Recognition of Prior Learning for trade qualifications and research and development activity rounded out the year's work.

I would like to acknowledge and express my sincere appreciation to our valued stakeholders. In recognising the stakeholders who have played a pivotal role in our journey, I extend my gratitude; your support and collaboration have been instrumental in enabling us to deliver high-quality training initiatives that meet the ever-changing demands of the industry. Your commitment to the training and development of our workforce has not only empowered individuals but has also shaped a more competent and skilled industry.

To the exceptional CTF team, whose passion and commitment are unparalleled, I am in awe of your tireless efforts. Your expertise, professionalism, and dedication have made a lasting impact on the lives of countless individuals, and I am deeply grateful for your constant commitment to excellence.

Together, we have introduced innovative programs to upskill our workforce, embracing emerging technologies and sustainable practices. We have fostered collaborations with industry partners, educational institutions, and government bodies to ensure training remains relevant and responsive to the evolving needs of the sector.

I would like to express my appreciation to the apprentices, trainees and participants who have placed their trust in us.



Your commitment to personal growth and your pursuit of excellence in your chosen fields inspire us every day. We are proud to be a part of your journey, and we are dedicated to providing you with the resources and opportunities you need to succeed.

Our commitment to embracing technology, adopting sustainable practices, and encouraging diversity, will drive positive change and shape a resilient and forward-thinking industry.

The industry will continue to evolve, and new hurdles will undoubtedly emerge. With a commitment to training and development, and the support of our stakeholders and the dedication of our exceptional team, I am confident that we will not only overcome challenges but thrive in the face of them.

Thank you for your continued trust, support, and partnership.

Tiffany Allen
Chief Executive Officer

2022-2023

The year in review



Positive perceptions



... include that the CTF demonstrates **strong leadership, collaborative relationships** and **balanced engagement**

Levy and programs info

22,931 levy projects processed

14,034 workers supported through Upskilling and Short course funding (including WHS) program

6,796 unique apprentices supported

2,408 unique DI Employers and GTOs supported

Stakeholder info

73% of stakeholders are positive about the CTF's engagement with them

75% are positive about the CTF and the services it provides

86% are satisfied with the incentives provided to employ an apprentice

Skills development info

4,259 visitors to the Construction Futures Centre

111 students graduated from the Scholarship program

141 Try-A-Trade courses delivered

158 Career information presentations

Website

All Traffic results

	2022/23	% change
Users	183,922	247.36%
Sessions	284,920	235.30%
Average Session Duration	2:01	49.55%

The CTF website had a significant increase in engagement and organic traffic during the year; the result of several initiatives implemented to improve the website experience. On 1 July 2022 a new navigation tool was implemented to make it easier and faster for users to find the information they were looking for. The website’s homepage banner was updated from a single video to a sliding banner to highlight a range of CTF’s individual programs. In addition, a robust search engine optimisation (SEO) strategy was implemented.

Organic Traffic Results

	2022/23	% change
Users	42,404	91.38%
Sessions	78,499	96.21%
Average Session Duration	3:08	101.22%

Our values



Strategic initiatives

The CTF's Strategic Plan 2021-2025 includes a number of initiatives that will optimise CTF's service delivery and direct the agency towards best practice.

The CTF implemented a levy integrity framework and initiated compliance activities that targeted unpaid levies throughout the sector.

The CTF continued to work on the 4-year Marketing and Communications Strategy in the 2022-23 financial year, aligned to CTF's organisational Strategic Plan. Some key elements of the strategy included the Industry Awareness Campaign and the Apprentice Tool Allowance Campaign. There was targeted marketing and communications to CTF's key audiences, spreading the brand messaging pillars of the industry being skilled, sustainable, and diverse.

The Industry Awareness Campaign – “we love a job done well” umbrella campaign was created to raise awareness of CTF's support for the building and construction industry, ensuring the industry knows CTF is here to support them through this challenging period; and communicate CTF's vision of building a safe, skilled and sustainable construction workforce for WA. The campaign works to instil a sense of pride and purpose in people already in the construction industry, acknowledging them for their hard work and the role they play in building WA.

The Apprentice Tool Allowance Campaign was designed to target 9,000+ construction apprentices and trainees working in construction across WA, encouraging them to claim a \$500 tool rebate. The campaign strategy, execution, content and channel mix were tailored to this demographic and included a clear call to action, with activity more heavily weighted at the start and end of the year-long program. Platforms used included targeted social media, out of home, radio and YouTube. It also had a dedicated web page.

CTF owned Social Media Highlights

- ✓ **5.1K Fans and Followers**
(increase of **24%** from 4.1K)
- ✓ **978 New Fans and Followers**
(increase of **304%** from 242)
- ✓ **20M Page and profile impressions**
(increase of **33%** from 15M)
- ✓ **14M Page and profile reach**
(**27%** increase from 11M)

The CTF has increased its social media activity and presence over 2022-23, through a combination of paid and organic social posts and content.

The Perth Tradie Expo in June provided a sponsorship opportunity for CTF to promote its programs relevant to this group via signage, articles and ads in the event program, brochures, and social posts.

The CTF has continued to support the construction industry and the WA community through sponsorship of relevant training awards, activities and events that provide opportunities to communicate our vision that the construction industry is a career of choice and is safe, skilled and sustainable.

The 2022-23 financial year marked the first full year of CTF's revised Sponsorship and Awards Policy. The new policy has allowed CTF to increase the variety and number of organisations it provides sponsorship to, while ensuring a fair and equitable awards process. The key areas for sponsorship under the new policy include:

- **Awards for Excellence**, where the CTF provided sponsorship to recognise outstanding achievements within the construction industry. These awards serve to acknowledge and celebrate the individuals and organisations that have demonstrated excellence in their respective fields.
- **Construction Industry events**, where the CTF sponsored various events related to the construction industry. These events included seminars, conferences, workshops, and exhibitions that provided valuable knowledge and networking opportunities for professionals in the sector.
- **Community initiatives and events**, where the new policy allowed CTF to support community-based initiatives and events related to the construction industry. These sponsorships contribute to community engagement and promote the positive impact of the construction sector on the local community.

During the 2022-23 financial year, the CTF sponsored a total of 11 Award events, recognising exceptional achievements in the industry. Additionally, the organisation sponsored 19 Industry events, providing support to various initiatives and activities that contribute to the growth and development of the construction sector. Through its sponsorship portfolio, the CTF has demonstrated a commitment to fostering growth and excellence within the construction industry, while also promoting community engagement and positive industry representation.

In 2023, the CTF has selected to sponsor the Perth Football League Colts Competition (PFL Colts). By supporting the PFL Colts, the CTF has the opportunity to directly engage with around 2,000 colts players aged between 17 and 20 years old. This sponsorship allows the CTF to communicate with these young athletes about the numerous benefits of pursuing a career in the construction industry.

Through this engagement, CTF has showcased the various opportunities, training programs, and career paths available in the construction sector. Sponsorships like this provide a valuable platform for organisations like the CTF to promote the construction industry and contribute to the development of a skilled and well-prepared future workforce.

During the 2022-23 financial year, 17 external stakeholders used the Construction Training Fund facilities, which include training rooms, a boardroom, and event space. They utilised these spaces for meetings, training sessions, and events, accommodating around 400 participants in total.



“

... the CTF has demonstrated a commitment to fostering growth and excellence within the construction industry, while also promoting community engagement and positive industry representation.

Strategic Plan outcomes 2022-23



Strategic Pillar 1: COMMUNICATE and ENGAGE

The CTF actively engages and advocates, seeking and providing a relevant exchange of information

Key Initiatives for 2022-23	Outcomes
<ul style="list-style-type: none"> Develop a Communications and Marketing Strategy. 	A Communications and Marketing strategy was implemented with a focus of increasing awareness of the CTF as a support for industry and to celebrate the excellence in the workmanship of trades across the industry.
<ul style="list-style-type: none"> Develop an Information Hub. 	The development of the CTF Snapshot is complete. The next phase of the information hub will be implemented for 2025.
<ul style="list-style-type: none"> Develop a formal feedback process. 	An update to the feedback policy was completed and process implemented.
<ul style="list-style-type: none"> Develop initiatives to engage with, and specific programs for, SMEs and sole traders. 	Industry Training Advisors walked slabs and attended related industry activities including tradie nights at supplier venues.
<ul style="list-style-type: none"> Engage the resources and construction sectors, regional stakeholders and communities at every opportunity. 	The CTF engaged with stakeholders and industry sector representatives through our programs, employer support, sponsorships, industry associations and peak bodies, research, community events, expos, awards and regional visits.
<ul style="list-style-type: none"> Create programs to encourage more diverse cultural groups. 	The CTF has developed and implemented a Multicultural Plan 2021-2024. Within this plan the CTF is committed to ensuring a supportive culture, embracing diversity and inclusion, substantive equity and combatting racism, discrimination and bias. Through this commitment the CTF will embrace diversity and focus on the promotion of programs demonstrating the building and construction industry as one for all.
<ul style="list-style-type: none"> Devise and implement initiatives to engage parents, VET co-ordinators, career advisors and tertiary campuses to improve their understanding of the construction industry. 	The CTF has completed the development of a careers booklet. The Construction Futures Centre will continue to engage with career advisors and VET coordinators.



Strategic Pillar 2: ADAPT and INNOVATE

CTF is agile and responsive to evolving market conditions, leading reforms in training for our industry

Key Initiatives for 2022-23	Outcomes
<ul style="list-style-type: none"> Review of the apprenticeship model with industry and consideration of how CTF should fund these models. 	The BCITB has approved further development of the research strategy. Research will commence in the mentoring of apprentices and the retention of apprentices.
<ul style="list-style-type: none"> Identify, review and optimise declining trades. 	The CTF has identified and is progressing an opportunity to investigate new training products and the capacity of the VET sector for new training products.
<ul style="list-style-type: none"> Review post-trade professional development for qualified contractors. 	Research will be undertaken to evaluate models and programs for post trade pathways for existing and other sector workers and contractors interested in a career in construction.
<ul style="list-style-type: none"> Support the skills required for alternative building methods and materials. 	Research is being conducted in collaboration with Curtin University after stakeholder consultation on modern methods of construction.
<ul style="list-style-type: none"> Develop and implement a workforce culture and diversity strategy. 	The CTF has developed and implemented a Workforce Culture and Diversity strategy 2021-2024.



Strategic Pillar 3: ADVOCATE and ASSIST

CTF is a respected voice, advocating construction as a career of choice, and a support for others in their advocacy for our industry

Key Initiatives for 2022-23	Outcomes
<ul style="list-style-type: none"> Implement a sponsorship and awards strategy. 	The CTF has developed and implemented a sponsorship and awards policy supporting excellence and recognising skills and innovation in the construction industry.
<ul style="list-style-type: none"> Develop a strategic plan for the Construction Futures Centre (CFC), with a focus on the resources sector, regional packs and optimisation of the centre. 	The Board approved the strategic plan for the CFC and will implement the refurbishment of the CFC in Q2 2023-24 financial year.
<ul style="list-style-type: none"> Support industry to improve physical safety and wellbeing. 	The CTF continued to provide a comprehensive program for Work Health and Safety Training including Suicide Awareness and Prevention Training to improve safety and mental wellbeing in the industry.



Strategic Pillar 4: SUSTAIN and OPTIMISE

CTF is a responsible, trusted, best practice agency, growing and developing relationships with industry and government

Key Initiatives for 2022-23	Outcomes
<ul style="list-style-type: none"> Develop a robust strategy to maximise levy collection. 	The CTF has developed a Levy Integrity Strategy to maximise levy collection and prevent leakage of levy revenue.
<ul style="list-style-type: none"> Review and evaluate CTF's grants programs. 	An evaluation strategy was completed to support the review and evaluation of CTF programs. A comprehensive review of the Employer Grant program was undertaken, and other programs are now in progress.
<ul style="list-style-type: none"> Develop ICT strategic plan and review and optimise CTF ICT systems and processes. 	A significant investment in ICT capability and service delivery is occurring and will continue into the new year. Work is being undertaken to improve the user experience, simplify services and enhance security.



Meet Jonty



Scan the QR code to watch a video and find out more about Jonty!

CTF Workplace Giving and Celebrations

Throughout the year, the staff at the CTF participated in a range of events which covered various themes such as cultural diversity, reconciliation, women's empowerment, and health-related causes like breast cancer awareness and fundraising for the National Breast Cancer Foundation. These events show our commitment to creating an inclusive and supportive workplace culture.

In March, the CTF staff organised a food festival during Harmony Week to celebrate the diverse cultures within the organisation and the community.

The staff at CTF held a morning tea event during NAIDOC Week celebrating the history, culture, and achievements of Aboriginal and Torres Strait Islander peoples.

In October, the staff at CTF held a Pink Ribbon fundraiser in support of the National Breast Cancer Foundation. As part of this event, staff wore pink to show solidarity and raise awareness about breast cancer.

International Women's Day is celebrated globally to recognise and celebrate the achievements and contributions of women. The CTF staff participated in a range of events to honour and empower women on this day.

Reconciliation Week is an event that focuses on reconciliation between Indigenous and non-Indigenous Australians. The CTF staff celebrated this week with a breakfast event, and some members participated in the Walk for Reconciliation through Kings Park.



Recognition

During the year, the CTF was nominated for an IPAA award. The CTF was recognised for our initiative to deliver General Awareness Training for Suicide Prevention and Awareness, to the residential sector and to the communities impacted by Cyclone Seroja and the Wooroloo Bushfires. This nomination was in the category of Best Practice in Collaboration between Government and other organisations. This significant achievement is a testament to the excellent work and collaboration between the CTF and our stakeholder organisations.

Additionally, the CTF was a finalist for the 2022 UDIA Awards for Excellence in the Diversity in Development category.

The CTF acknowledges and celebrates these accomplishments as they demonstrate the impact and positive contributions our organisation is making in the community.

Workforce

The Construction Training Fund conducts research and reports data about the Western Australian building and construction workforce. The CTF focuses on construction apprenticeships, traineeships, and the skills and labour needs of our state's building and construction industry.

The Western Australian construction workforce (Fig. 1) has seen an increase of over 14,700 workers in the 12 months to May 2023 with an increase of over 20,500 trades and technical workers employed over the same period. This is conceivably attributed to the reopening of the Western Australian borders and the availability of workers to move freely from both overseas and interstate as the industry continues to tackle a large backlog of work.

Industry commencements of both new houses and apprentices has softened as stimulus packages and incentives are adjusted to the post pandemic environment. Successive interest rate rises and higher costs for imported construction materials have also had a slowing effect on the State's construction markets.

According to the Australian Bureau of Statistics (ABS), the number of dwelling unit approvals in Western Australia decreased by 22.7% over the full year to May 2023. There was a reduction in building commencements of 27% with the full year leading up to March 2023.

Despite the short-term decline in residential building commencements the industry is expected to experience significant demand over the next few years as the State's population continues to grow, increasing the need for housing and infrastructure development. The apprentices and trainees currently in training will assist in providing the future workforce requirements. Retention and completion of construction apprenticeships is a key priority for the recently announced \$4.2 million Apprentice Completion Grant program for those who complete their apprenticeship in the 2023-24 financial year.

Construction workforce by Quarter

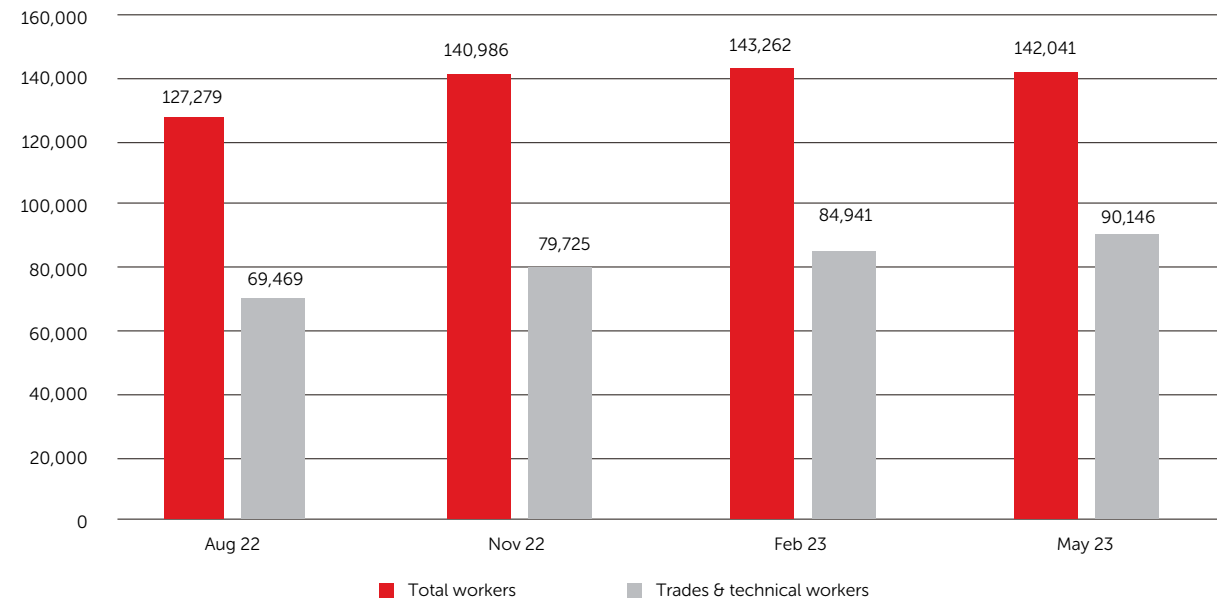


Figure 1 Construction workforce (ABS)

The Trades and Technical Workers data above is displayed in 2023 as a one-year quarterly dataset that aligns with the release of the Labour Force, Australia, Detailed. It has historically been reported in the Annual Report on a yearly basis. This change is due to recent changes in source data collection methodologies. The CTF is now using the 3-digit ANZSCO (Australian and New Zealand Standard Classification of Occupations,) instead of a selection of 6-digit codes. In addition, the 3-digit ANZSCO code is then further refined by applying Division E ANZSIC (Australian and New Zealand Standard Industry Classification) codes to further filter the data making it more reliable.



Apprentices and Trainees in Construction Trades Commencements by Quarter 2022-23

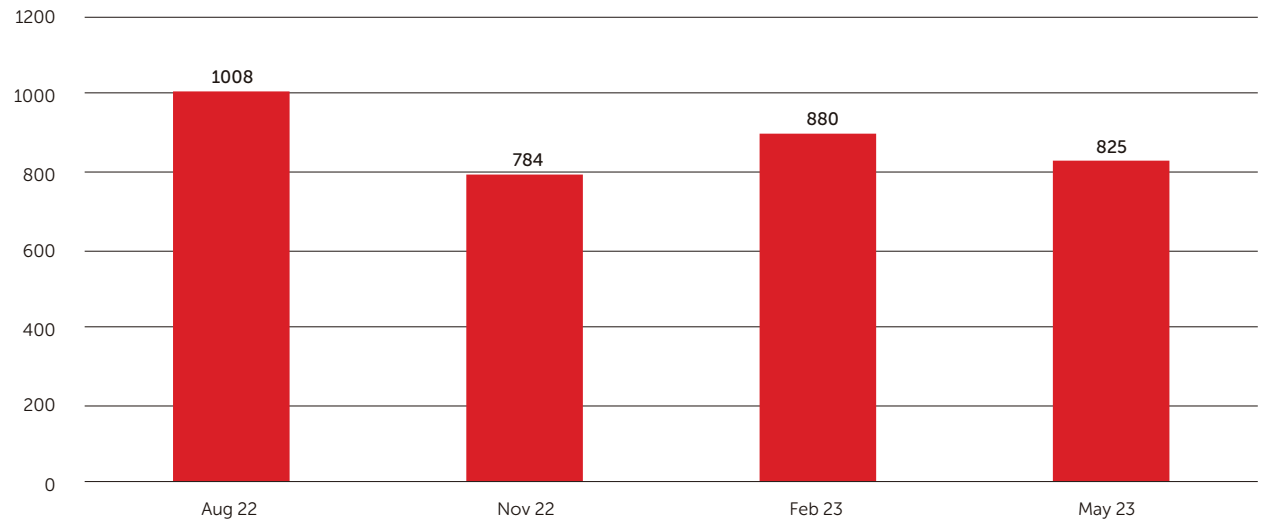


Figure 2 Apprentice commencements (DTWD)

For both the commencement and in training data above a new methodology has been used that applies the Division E ANZSIC (Australian and New Zealand Standard Industry Classification) codes to the apprenticeship commencement data. This ensures more reliable industry data but can only be reported over the last 12-month period for consistency. The in-training data collection methodology has also changed and does not align with previous historical versions data and is excluded from this Annual Report. In future 12 monthly data trends will be provided.

Over the last 12 months to May 2023, the number of apprentices and trainees who commenced working in the construction industry totalled 3,497. Despite industry concerns that apprenticeship numbers have declined since the Federal Government’s Boosting Apprenticeship Commencements (BAC) program ended in June 2022 and that previous

figures were likely unsustainable, all indications are commencements have remained steady over the past four quarters (Fig. 2). The number of apprentices and trainees in training in the construction industry in June 2023 is 10,134 or 12.89% of the State’s construction workforce.

Left:
Jody from RJV

Report on the operations

Actual results versus budget targets

Financial Targets

	2022-2023 Target (\$000)	2022-2023 Actual (\$000)	Variation (\$000)
Total cost of services (expense limit)	51,283	45,582	(5,701)
Net cost of services	(10,283)	25,861	36,144
Total equity	33,702	69,100	35,398

(1) Further explanations are contained in Notes to the financial statements.

In 2022-23, the CTF received \$70.1 million revenue from the Building and Construction Industry Training Fund (BCITF) Levy, with total expenditure of \$45.6 million, and \$35.6 million in program funding to support the building and construction industry's demand for skilled workers and administrative costs of \$9.9 million.

Actual total cost of services fell below the Board target of \$51.2 million, by \$5.7 million, primarily driven by lower than expected applications for the Apprentice Tool Allowance and reduced placement in funded apprentice attraction programs due to capacity constraints of private service providers.

Administration expenses were 15.9% above the Board's target, a result of additional FTE approved by government during the year and entitlements paid to employees related to the updated WA Government wages policy. There was also additional ICT expenditure to upgrade security and systems functionality.

Total Agency Expenditure 2022-23 (\$ million)

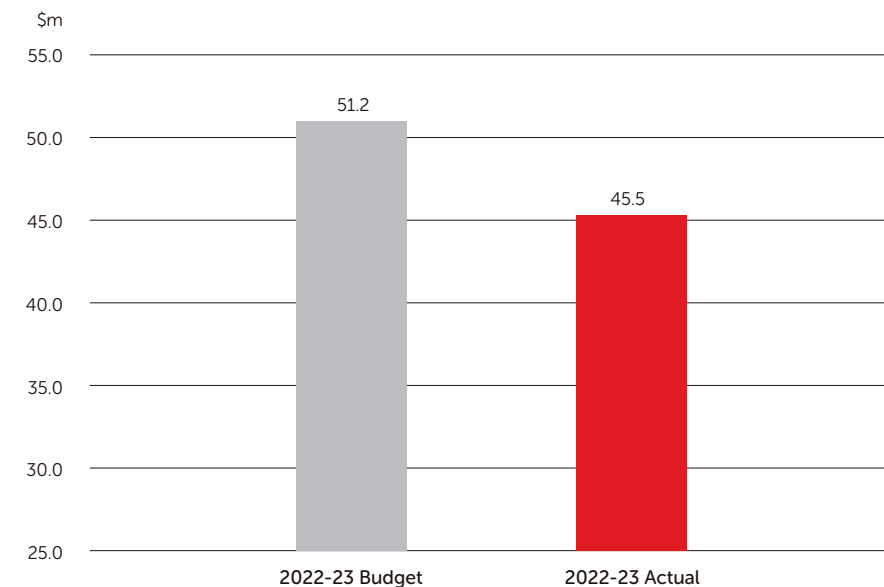


Figure 3 Total Agency Expenditure

Revenue of \$71.4 million exceeded the forecast budget of \$42.0 million (2022-23 Operational Plan), largely due to the growth in number of resources projects and civil construction and the work of the Levy Team in initiating compliance activity.

While revenue across the residential, commercial, civil and resources sectors was \$29.4 million above budget (Fig. 4), overall the CTF processed 16,470 levy payments from residential construction; 5,611 levy payments from commercial construction; 668 from civil construction and 182 from resources sector construction.

Residential construction generated 22% of revenue, continuing to reflect the effectiveness of Government stimulus packages provided for this market. The residential sector is traditionally the “nursery” for apprenticeship training for the construction industry, and the CTF’s expenditure of \$35.6 million in support for employers of apprentices (Fig. 3 and 4) is a direct result of the growth and the volume of activity in this sector.

Revenue from construction work in the resources sector exceeded initial forecasts. This revenue accounted for 43% of levy revenue collected and 42% above forecast reflecting significant surge in activity in the resources sector with the commencement of new projects and the reactivation of previously planned projects that had been put on hold due to the challenges posed by the global pandemic and other economic factors.

Under s21A of the Act, project owners can apply to pay the levy by instalment for projects with an estimated construction value in excess of \$500 million. During the year, the Board received and approved two applications for payment of the levy by instalment.

Revenue from the civil construction sector was 21% above forecast, largely due to the Government’s implementation of infrastructure projects.

Revenue by sector (\$ million), 2022-23

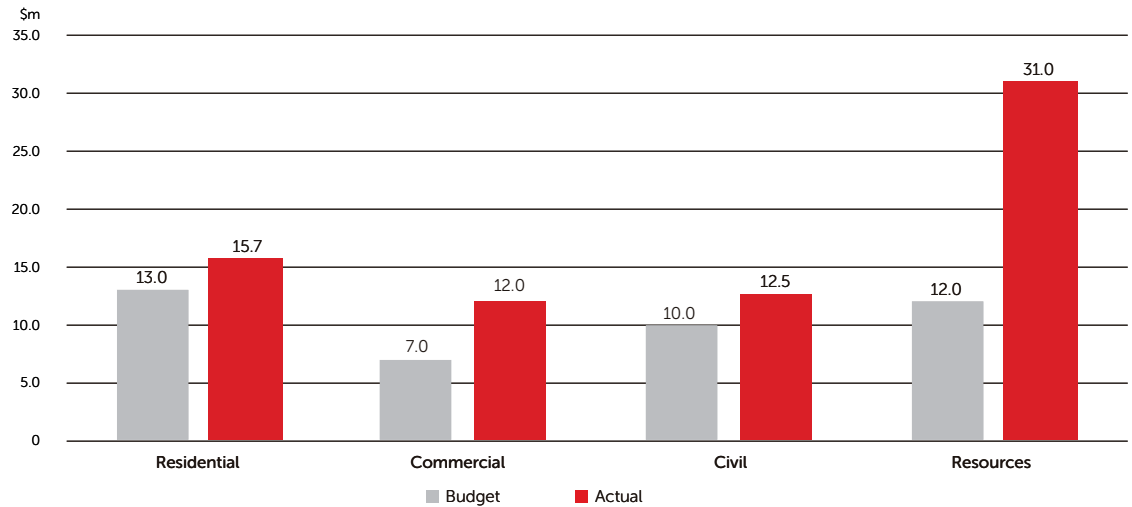


Figure 4 Revenue by Sector

Hear from Sage



Scan the QR code to watch a video and find out more about Sage!

Program expenditure

The CTF's most significant area of expenditure for 2022-23 was in the disbursement of the **Employer Support** programs (Fig. 6), which provides a range of grants to employers of apprentices and trainees in relevant construction qualifications.

During 2022-23, the CTF disbursed \$21.2 million in the **Employer Grant program**, against a forecast budget of \$21.9 million.

The Employer Grant program is designed to assist with some of the costs incurred in the employment of an apprentice, and is made up of a base grant amount, with additional supplements determined by the apprentice's gender, age, First Nations people status, pre-qualifications and regional location. The maximum amount of the grant available to employers of apprentices commencing in the 2022-23 FY was \$21,000, payable in three milestone instalments made over the life of the apprenticeship.

During the year, the CTF approved 8,549 payments to 2,390 employers, directly employing 4,586 apprentices that actively remained in-training.

Group Training Organisations (GTOs), as employers of apprentices in building and construction, are also eligible to receive the grants but receive the total available grant for each apprentice in monthly instalments, based on the nominal term of the apprenticeship.

The GTOs use this funding to reduce costs incurred from employing and training apprentices and trainees, effectively reducing hire-out costs to an eligible host employer.

The CTF has Funds Management Agreements with 18 GTOs deploying construction and electrical apprentices to hosts in the construction industry, making 12,365 monthly payments to GTOs to support the employment of more than 2,210 apprentices that remained in training during the year.

The tight labour market and competition for workers across all sectors of the economy meant employers that traditionally may have drawn on skilled labour from interstate or overseas, shifted in focus and employed locally through apprenticeships.

Program expenditure 2022-23 (\$ million)

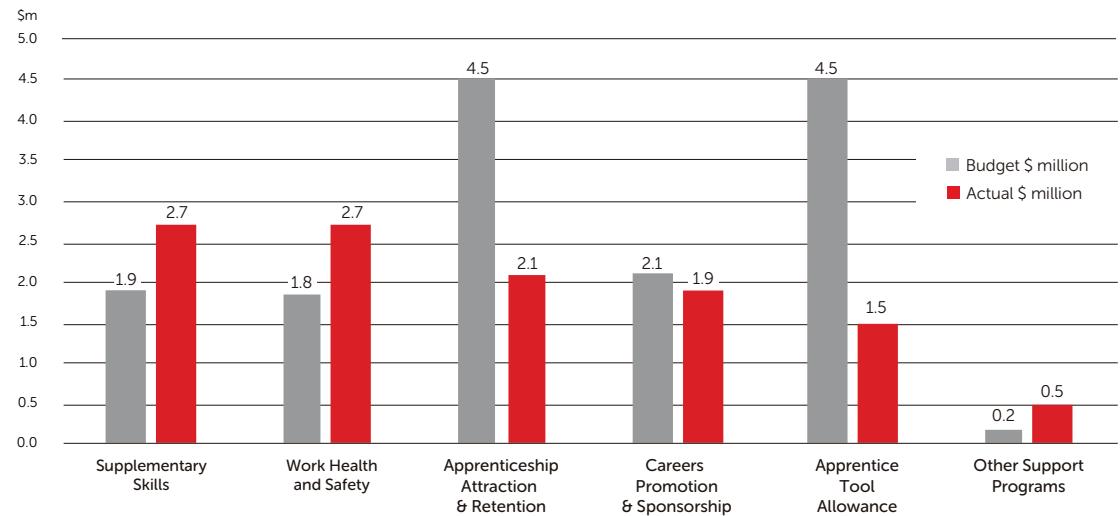


Figure 5 Program expenditure

2022-23 Employer Support Programs

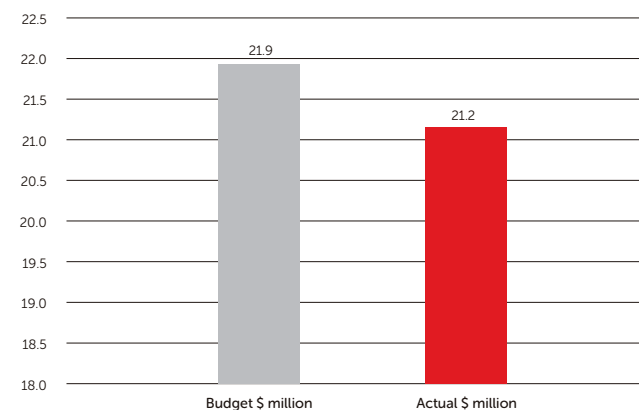


Figure 6 Employer Support Actual vs Budget

Mature Age Wage Gap Active Apprentices

■ Electrical ■ Civil ■ MAWG Original ■ MAWG Extension

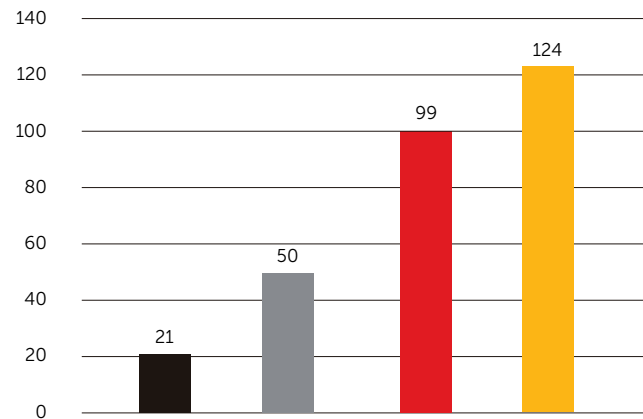


Figure 7 MAWG Active Apprentices

Early in 2021 the CTF launched a pilot program with 150 places to help offset the extra costs of hiring adult apprentices.

The \$3.44 million **Mature-Age Wage Gap pilot program** (MAWG) was created after consultation with industry, with feedback around the extra wage cost being a burden for construction industry businesses wanting to hire mature-age apprentices and trainees. The program was extended to include an additional 150 places in 2022-23.

The implementation of the Mature Age Wage Gap Extension program endorsed by the BCIT Board is underway with system changes completed to accommodate the new program.

Civil Construction Pilot Program

■ Active apprenticeships ■ Active junior

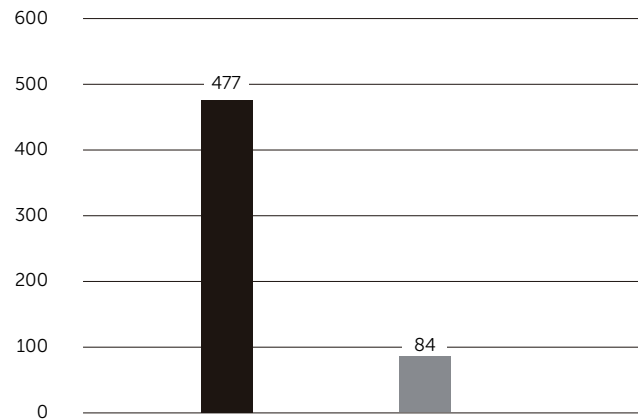


Figure 8 CCPP Active Apprentices

The Industry Training Advice team promoted the new MAWG extension programs with GTO and employers. Feedback from stakeholders is extremely positive. The 50 Mature Age places as part of the Civil Construction Pilot Program introduction have now been allocated.

The **Civil Construction Pilot Program (CCPP)** is a four year pilot program developed when the Civil Construction Traineeship changed to an Apprenticeship qualification on the 3 September 2021. The CCPP supports the CTF's strategic initiative to adapt and innovate, and provide an opportunity to review a different approach to apprenticeship training.

Civil Construction Pilot Program Apprentice Demographics

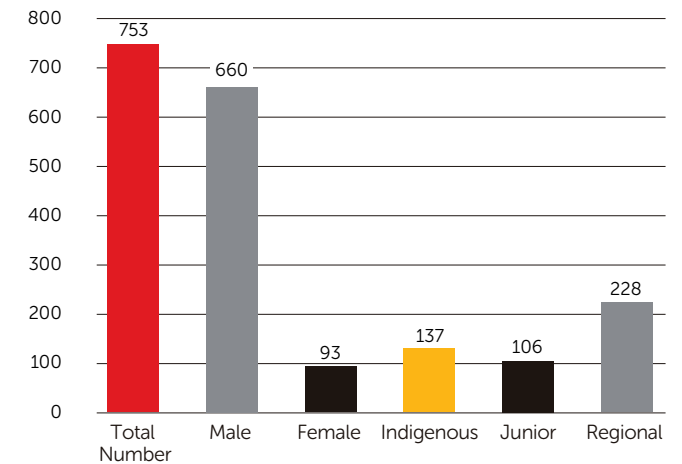


Figure 9 CCPP Demographics

All payment structures noted below are for commencements on or after commencement of the program. The CTF will:

- Fund the difference in the Modern Award wage between junior (under 21) trainees and apprentices.
- Increase the base grant for the nine new civil construction apprenticeships from \$8,000 to \$10,000.
- Cover the increased cost over two years for a mature age apprentice to civil construction employers. Limited to 50 places and capped to three applications per business over the course of the pilot program.

Apprentice Tool Allowance Count of Purchase Item Type

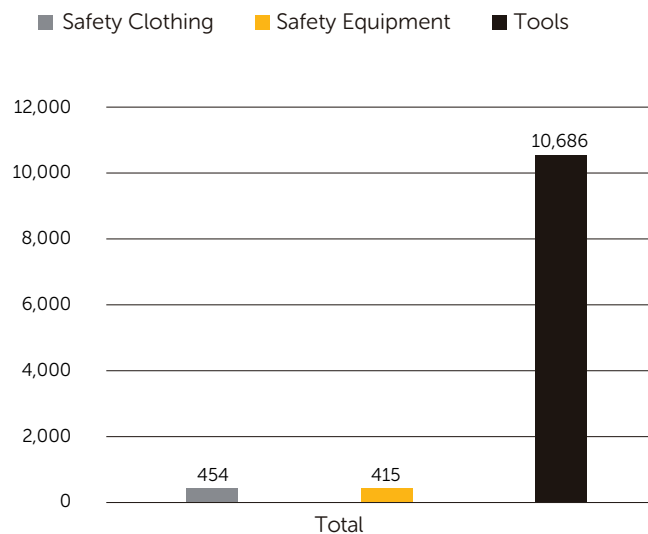


Figure 10 Apprentice Tool and Safety Equipment rebate

The **Apprentice Tool and Safety Equipment Rebate** (ATSER) looked to support apprentices and trainees directly and to incentivise retention and completion of a trade qualification. This program was developed following feedback from the October 2021 Stakeholder Forum.

The proposal was based on the CTF's reimbursement of costs incurred when an apprentice purchased tools and/or safety equipment required for their apprenticeship. The maximum claimable amount (upon submission of receipts) per apprentice in this program was \$500. Fig. 10 illustrates the type of items apprentices and trainees purchased.

Total expenditure (within 2022-23): \$1.5 million

Upskilling and Short Courses (including WHS) – Number of workers supported (claims approved)

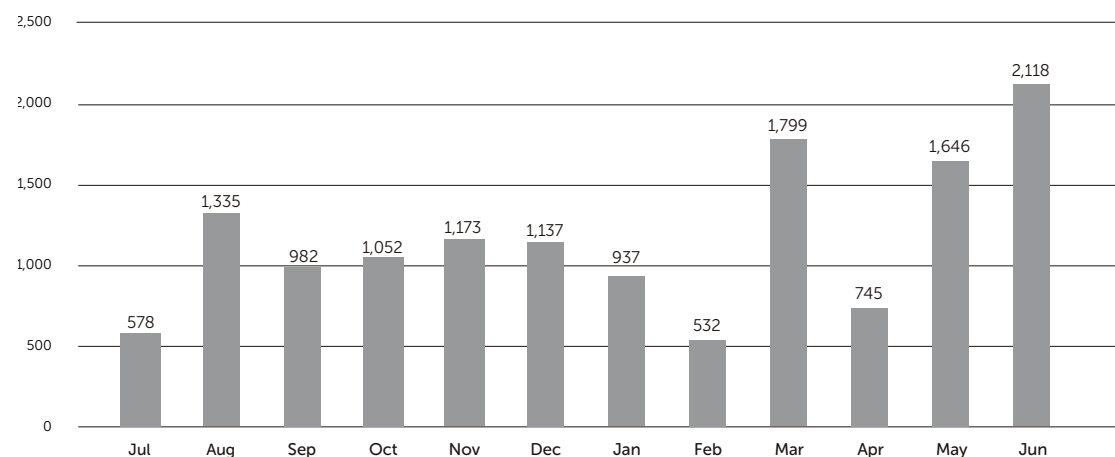


Figure 11 Supplementary Skills and Work Health and Safety

The remainder of CTF's core programs (Fig. 11) cover disbursements relating to short course training subsidies for workers.

The CTF **Supplementary Skills and Work Health and Safety (WHS) Programs** provide subsidies to eligible construction industry workers (including apprentices and trainees) who successfully complete short training courses to obtain or upgrade the skills essential for their work role. During the year, the CTF paid 3,958 subsidies in the Supplementary Skills program, at a cost of \$2.7 million, well above the forecast budget of \$1.9 million.

The CTF paid an additional 4,980 subsidies to workers completing safety training courses and provided an additional 6,000 workers with suicide awareness training through MATES in Construction.

The CTF disbursed a total of \$2.7 million to support work health and safety training in the industry in 2022-23.

Upskilling and Short Courses (including WHS)
Top 10 popular courses



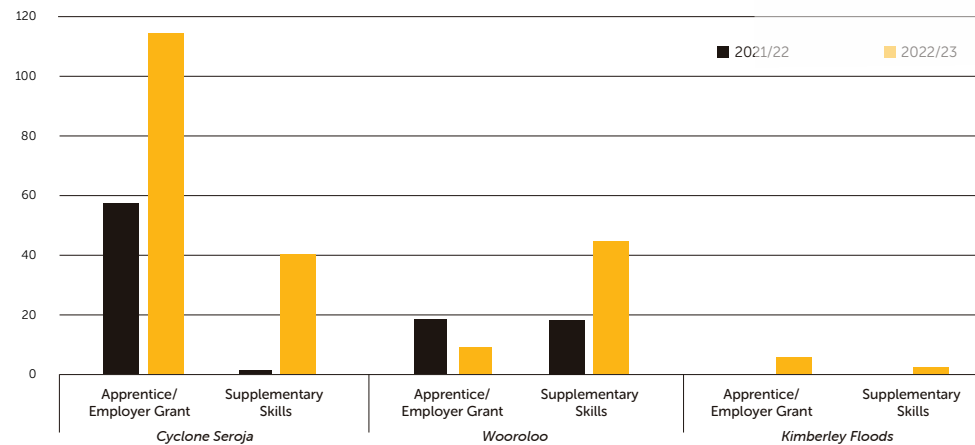
- 1 Working Safely at Heights
- 2 First Aid/CPR/Blended Learning
- 3 Dogging
- 4 Excavator
- 5 Skid Steer/Loader
- 6 Elevated Work Platform
- 7 Low Voltage Rescue
- 8 Forklift
- 9 Roller Operations
- 10 Supervised Worker PTA

The CTF supports WHS training for workers and companies required to perform roles on-site that specifically relate to construction work. This includes engineers, architects and project managers who are required to enter live construction sites to inspect construction work and/or supervise work that is being undertaken.

The CTF implemented the **Disaster Recovery Construction Training Grant (DRCTG)** in 2021-22, to support communities affected by the Wooroloo bushfires and Cyclone Seroja (see Fig. 5, other support programs). In 2022-23, the grant was extended to include the community impacted by Ex-Tropical Cyclone Ellie and associated flooding, in the Kimberley region.

The program has been designed to catalyse the re-build efforts in regional locations, attracting and skilling a local workforce for now and the future and providing the support for the community to get back on its feet sooner, improving long term prosperity.

Disaster Recovery Construction Training Grant
Types of Grants Applied for – YTD



Unique Claimants –YTD

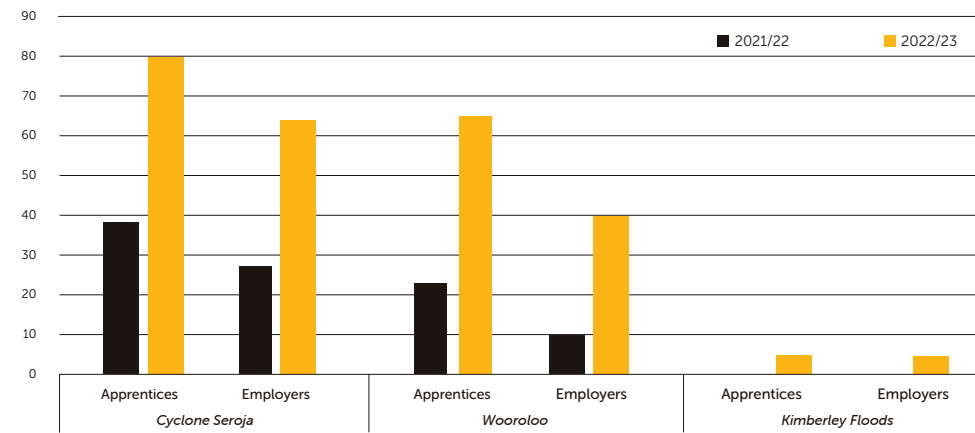


Figure 12
DRCTG Grants and Claimants

The DRCTG provides employers of apprentices with an annual grant of \$2,000 (in addition to other CTF programs) and their apprentices with \$1,000 for demonstrating their participation in the rebuild of these communities. The grant is intended to offset any costs incurred relating to travel and/or accommodation to the areas affected by the disasters.

The DRCTG has received strong recognition and support across Government, industry and the communities affected by the natural disasters; however, uptake has been low due to broader economic forces. In response to these factors the BCIT Board in 2023 approved the extension of the program to June 2025.

In addition to support for the current workforce, the CTF invests significant resources in raising the profile of the industry as a career of choice, with a strong focus on the transition of young people from school into the building and construction industry.

The CTF's **Try-A-Trade** and **Scholarship** programs are two key platforms within the Apprentice Attraction and Retention program. These programs provide school students and their parents and teachers with key insights into pathways into the building and construction industry and the support mechanisms available.

During the year, the CTF funded 141 Try-A-Trade courses across the State, providing 1,792 Year 9 and above students with hands-on experiences of key occupations in the industry. Try-A-Trade courses cover traditional construction trades, electrical, civil and fabrication trades that offer young people an insight into the portability of construction skills across the residential, commercial, civil and resources construction sectors. For the first time in 2022-23, the CTF commenced offering school holiday Try-A-Trade programs to expand availability to students who are not able to participate through their school.

Training Providers indicated that they had very limited capacity in Semester One for Try-A-Trade courses, particularly in regional locations. The CTF is working with all stakeholders for better outcomes in semester 2.

The CTF's **Construction Careers Scholarship program** funds the delivery of Certificate II construction qualifications for students over one or two years who are completing their Western Australian Certificate of Education (WACE), with additional training, mentoring and support for students during their training and on-site work experience. There were 111 graduates from the program in November 2022, with 43 students from the cohort commencing apprenticeships bringing the total to 186 past scholarship students entering apprenticeships.

There have been over 180 commencements despite a very competitive market for school-based VET students across sectors.

The CTF **Driver's Licence Training Program** was officially launched by the Premier and the Minister for Training, on 21 March 2023 at the Driver Risk Management (DRM) facility. This \$1.26 million pilot project was initiated to improve opportunities for youth and targeted groups of new entrants to the building and construction industry by ensuring they have a valid WA driver's licence, proficiency in on-road vehicle control and proficiency in conditions contextualised for work in the building and construction industry. During 2022-23, 64 scholarship students commenced the program with seven achieving their license and 51 remain in training.

The CTF invested \$2.1 million in the **Apprentice Attraction and Retention program** during the year, against a budget of \$4.5 million. The lower than forecast expenditure was largely in the Try-A-Trade scheme, which was affected by lecturer availability in participating training providers with strong apprenticeship commencement numbers continuing as a result of the Boosting Apprenticeship Commencements incentives in 2022.

The CTF's allocation of resources to career promotion includes the **Construction Futures Centre (CFC)**, and the promotion of careers in construction through school incursions and attendance at public careers expos. The CFC is an interactive venue showcasing the scope of the construction industry and the breadth of career opportunities available, the CFC is a cornerstone of the CTF's career promotions program.

The CTF promotes the CFC as an opportunity to engage with young people, parents, teachers, community members and job seekers, and was visited by 4,259 people during the year. This was mainly via school groups participating in scheduled tours during the week.

The CTF also held CFC open days and family fun days on weekends, and hosted evening career expos for parents, community members and job seekers. The attendance numbers at the CFC represent a 25% increase over the previous year.

CFC – Visitor groups, 2022-23

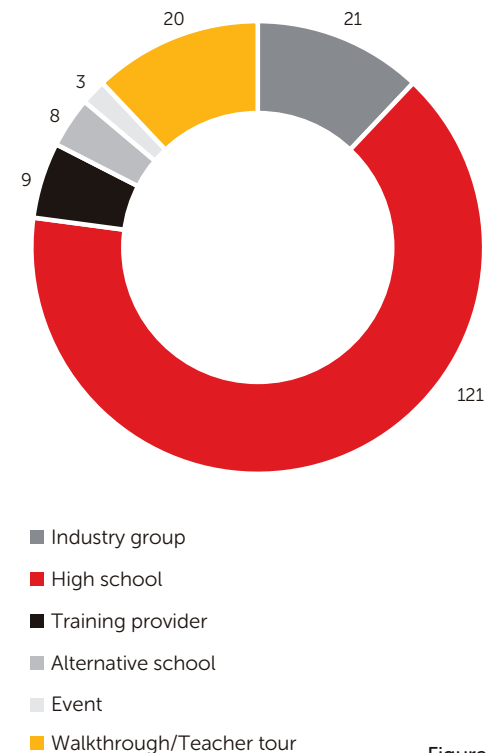


Figure 13
CFC Visitor groups,
2022-23

“

Overall, it was a great experience that was very informative.

Student visitor to the Construction Futures Centre

The CTF conducted an evaluation to examine the experience of visitors to the CFC. Key findings from visitors, 96% enjoyed the visit, 91% were more aware of jobs with the construction industry, 77% were more aware of the benefits of a career in the construction industry and 64% were more aware of the path they need to take to work in construction.

About the CFC



Scan the QR code to watch a video and find out more about the Construction Futures Centre!

The CTF’s Industry Training Advisors (ITAs) had a busy 2022-23 period, engaging with various stakeholders to promote careers in the construction industry and make employers aware of available subsidies and grants and to support career development and workforce needs in the sector.

The ITAs travelled across the metropolitan area and to 29 regional locations in WA to participate in industry panel discussions at the Department of Education’s Career Conversations sessions. These sessions were aimed at parents and teachers, helping them understand the career opportunities available in the construction industry.

The ITAs also took part in the Department of Jobs, Tourism, Science, and Innovation’s Regional Business Engagement Forums. In these forums, they informed employers about the subsidies and grants available to them. The ITAs conducted 149 employer visits, primarily through ‘walking slabs’ and engaged with sole traders and small businesses at hardware store events and construction project Industry Briefing sessions.



Above: The BCIT Board travelled to Kalgoorlie and Albany to engage with regional industry stakeholders

In addition, the ITAs delivered 158 career information presentations to students, job seekers, and their support networks. These presentations covered a wide range of topics related to careers in construction, training opportunities, and pathways in the industry.

The CTF team participated in a significant number of expos, totalling 105, including school expos, major multi-day events like Skills West, the Tradie Expo, and Careers and Employment Expo. The expos were used as an opportunity to launch the CTF Construction Careers Booklet. This booklet serves as a resource for students, mirroring course and career guides available from universities. It helps facilitate meaningful conversations about the various opportunities within the construction industry, highlighting pathways, diversity in roles, different sectors, and training options. Approximately 6,000 career booklets have been distributed through expos, schools, and events since publishing.

A joint meeting with all WA Australian Apprenticeship Support Networks and the CTF was held to ensure these critical industry stakeholders are aware of the programs and support the CTF offers and the CTF's strategic direction.

Career Presentations and Expos

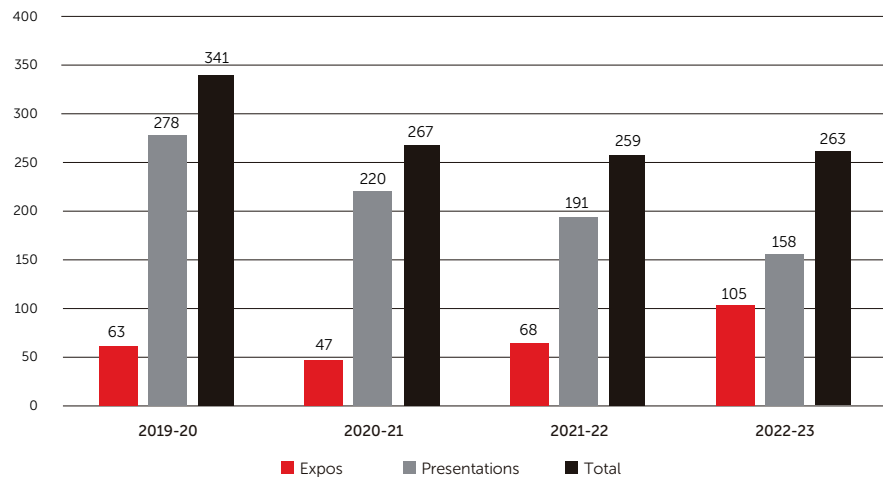


Figure 15 Career Presentations and Expos

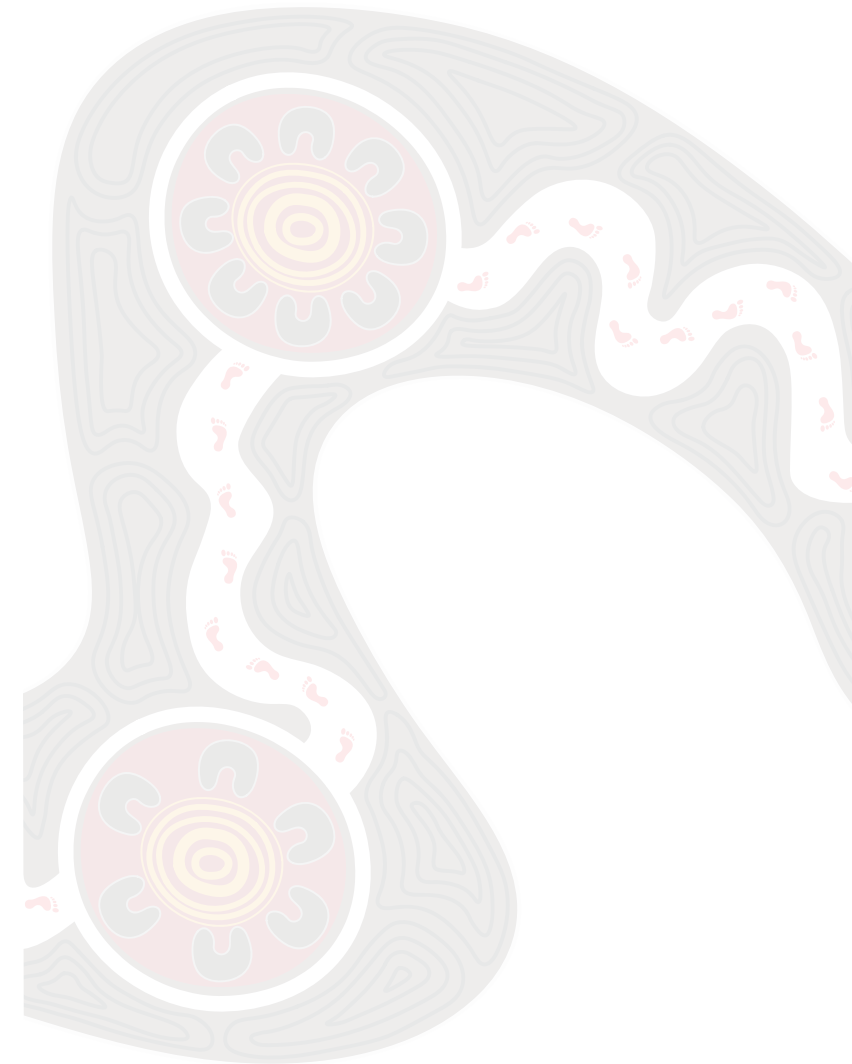


Figure 14 Map of Regional Visits

Summary of key performance indicators

KPI	2023 Target	2023 Actual	Variation ⁽¹⁾
Key effectiveness indicator(s)			
1.1 The number of apprentices and trainees employed in the building and construction industry as a percentage of the trade workforce in the industry.	12%	12.9%	+0.9%
1.2 The number of people supported to undertake supplementary skills and work health and safety training or skills assessment as a percentage of the total workforce in building and construction.	12.5%	10.2%	-2.3%
2.1 The proportion of workers surveyed who are satisfied with the quality of training supported by the CTF.	80%	92.6%	+12.6%
2.2 The proportion of employers surveyed who are satisfied with the quality of training supported by the CTF.	75%	87.2%	+7.2%
Key efficiency indicator(s)			
1.1. The total administration costs of the Building and Construction Industry Training Board as a percentage of the Construction Training Fund's total expenditure.	20%	21.8%	+1.8%
1.2. The specific administration costs of the Building and Construction Industry Training Board represented as a cost per apprentice or trainee subsidised by the Construction Training Fund.	\$69	\$110.01	+\$41.01
1.3. The specific administration costs of the Building and Construction Industry Training Board represented as a cost per person supported by the Construction Training Fund to undertake skills training or vocational education.	\$28	\$60.69	+32.69

(1) Additional performance information is detailed at the Detailed information in support of key performance indicators on page 77.



Jade Morris,
Refrigeration apprentice

Disclosures and Legal Compliance



Financial statements

The Building and Construction Industry Training Board has pleasure in presenting its audited general purpose financial statements for the reporting period ended 30 June 2023 which provides users with the information about the Agency's stewardship of resources entrusted to it. The financial information is presented in the following structure:

Certification of Financial statements	39
Certification of key performance indicators.....	39
Independent Auditor's Report.....	40
Financial statements.....	45
Additional information in support of key performance indicators	77
Ministerial directions.....	85
Other financial disclosures	85
Capital works	85
Employment and industrial relations.....	85
Staff development	85
Workers compensation	85
Governance disclosures	85
Other legal requirements.....	86
Unauthorised use of credit cards	86
Government policy requirements.....	88

Building and Construction Industry Training Board Certification of Financial Statements

For the reporting period ended 30 June 2023

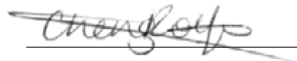
The accompanying financial statements of the Agency have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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



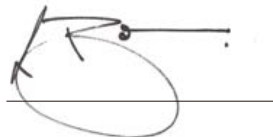
Reg Howard-Smith
BCITB Chair

12 September 2023



Cheng Rolfe
BCITB Member

12 September 2023



Lee Baptie
Chief Finance Officer

12 September 2023

Building and Construction Industry Training Board

Audited Key performance indicators

Certification of Key Performance Indicators

For the year ended 30 June 2023

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Construction Training Fund's performance, and fairly represent the performance of the Agency for the financial year ended 30 June 2023.



Reg Howard-Smith
BCITB Chair

12 September 2023



Cheng Rolfe
BCITB Member

12 September 2023



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023

Building and Construction Industry Training Board

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Building and Construction Industry Training Board (Board) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Building and Construction Industry Training Board for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

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

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

Responsibilities of the Board members' for the financial statements

The Board members are responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Board.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Basis for Qualified Opinion

Expenditure

I identified significant control deficiencies within the procure to pay process specifically on the implementation of appropriate segregation of duties and purchase order processes. These weaknesses could result in inaccurate financial information as errors and/or fraud may not be detected. Consequently, controls to prevent invalid and inaccurate payments were inadequate throughout 2022-23.

Qualified Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Building and Construction Industry Training Board. The controls exercised by the Board members are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in all material respects, the controls exercised by the Building and Construction Industry Training Board are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

The Board members' responsibilities

The Board members are responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board.

That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance

about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed.

My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Building and Construction Industry Training Board for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Building and Construction Industry Training Board are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Board members' responsibilities for the key performance indicators

The Board members are responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Board members determine necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board members are responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with 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*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board members are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Building and Construction Industry Training Board for the year ended 30 June 2023 included in the annual report on the Board's website. The Board's management is responsible for the integrity of the Board's website. This audit does not provide assurance on the integrity of the Board's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 September 2023

Building and Construction Industry Training Board
Statement of Comprehensive Income

Disclosures and Legal Compliance

For the year ended 30 June 2023

		2023 (\$000)	2022 (\$000)
COST OF SERVICES			
Expenses			
Employee benefits expenses	2.1(a)	4,575	3,633
Grants and programs	2.2	35,640	35,864
Supplies and services	2.3	3,937	2,099
Accommodation expenses	2.3	289	235
Depreciation and amortisation expenses	4.1, 4.2	542	868
Finance costs	6.3	2	2
Other operating expenses	2.3	597	868
Total cost of services		45,582	43,569
Income			
Levy fees	3.1	70,093	39,486
Interest revenue	3.2	1,181	44
Other revenue	3.3	169	486
Total income		71,443	40,016
NET COST OF SERVICES		25,861	(3,553)

Building and Construction Industry Training Board

Statement of Comprehensive Income (continued)

For the year ended 30 June 2023

		2023 (\$000)	2022 (\$000)
Income from State Government			
Resources received	3.4	10	17
Total income from State Government		10	17
SURPLUS / (DEFICIT) FOR THE PERIOD			
		25,871	(3,536)
OTHER COMPREHENSIVE INCOME			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
		25,871	(3,536)

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Building and Construction Industry Training Board
Statement of Financial Position

Disclosures and Legal Compliance

As at 30 June 2023

	NOTES	2023 (\$000)	2022 (\$000)
ASSETS			
Current assets			
Cash and cash equivalents	6.1	11,056	33,878
Restricted cash and cash equivalents	6.1	36	36
Financial investments	6.2	54,000	5,000
Receivables	5.1	2,439	1,125
Other current assets	5.2	268	57
Total current assets		67,799	40,096
Non-current assets			
Property, plant and equipment	4.1	6,535	6,853
Right-of-use assets	4.2	31	45
Total non-current assets		6,566	6,898
TOTAL ASSETS		74,365	46,994
LIABILITIES			
Current liabilities			
Payables	5.3	2,700	2,405
Employee related provisions	2.1(b)	751	480
Lease liabilities	6.3	12	13
Other provisions	5.4	1,612	674
Total current liabilities		5,075	3,572

Building and Construction Industry Training Board

Statement of Financial Position (continued)

As at 30 June 2023

	NOTES	2023 (\$000)	2022 (\$000)
Non-current liabilities			
Employee related provisions	2.1(b)	171	161
Lease liabilities	6.3	19	32
Total non-current liabilities		190	193
TOTAL LIABILITIES		5,265	3,765
NET ASSETS		69,100	43,229
EQUITY			
Contributed equity		-	-
Reserves		-	-
Accumulated surplus		69,100	43,229
TOTAL EQUITY		69,100	43,229

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

Building and Construction Industry Training Board Statement of Changes in Equity

Disclosures and Legal Compliance

For the year ended 30 June 2023

	Contributed equity (\$000)	Reserves (\$000)	Accumulated surplus (\$000)	Total equity (\$000)
Balance at 1 July 2021			46,765	46,765
Surplus/(deficit)	-	-	(3,536)	(3,536)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(3,536)	(3,536)
Balance at 30 June 2022	-	-	43,229	43,229
Balance at 1 July 2022				
Surplus/(deficit)	-	-	25,871	25,871
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	25,871	25,871
Balance at 30 June 2023	-	-	69,100	69,100

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

Building and Construction Industry Training Board

Statement of Cash Flows

For the year ended 30 June 2023

	NOTES	2023 (\$000)	2022 (\$000)
Cash flows from operating activities			
Receipts			
Levy received from project owners		70,441	38,795
Interest received		284	44
GST receipts from taxation authority		762	1,125
Other receipts		73	41
Payments			
Employee benefits		(4,442)	(3,692)
Grants and subsidies		(35,096)	(34,649)
Supplies and services		(4,188)	(1,557)
Accommodation		(293)	(234)
Finance costs		(2)	(2)
Other operating payments		(432)	(358)
GST payments on purchases		(802)	(562)
Net cash provided by operating activities		26,305	(1,049)

Disclosures and Legal Compliance

	NOTES	2023 (\$000)	2022 (\$000)
Cash flows from investing activities			
Receipts			
Proceeds on disposal of financial investments		5,000	-
Payments			
Purchase of financial investments		(54,000)	-
Purchase of non-current assets		(97)	(433)
Net cash used in investing activities		(49,097)	(433)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(30)	(28)
Net cash used in financing activities		(30)	(28)
Net increase/(decrease) in cash and cash equivalents		(22,822)	(1,510)
Cash and cash equivalents at the beginning of the period		33,914	35,424
Cash and cash equivalents at the end of the period	6.1	11,092	33,914

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

Building and Construction Industry Training Board Notes to the Financial Statements

For the year ended 30 June 2023

1. Basis of preparation

The Building and Construction Industry Training Board (the Board) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Board is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Board on 12 September 2023.

Statement of Compliance

These general purpose financial statements are prepared in accordance with:

1. *The Financial Management Act 2006 (FMA)*
2. Treasurer's instructions (TIs)
3. Australian Accounting Standards (AASs) – Simplified Disclosures
4. Where appropriate, those AAS paragraphs applicable for not for profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations;
- Right-of-Use Asset reconciliations; and
- Provision reconciliations.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Board's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Board in achieving its objectives and the relevant notes are:

	NOTES
Employee benefits expense	2.1(a)
Employee related provisions	2.1(b)
Grants and programs	2.2
Other operating expenditure	2.3

2.1(a) Employee benefits expense

	2023 (\$000)	2022 (\$000)
Employee benefits	3,997	3,074
Termination payment	-	100
Superannuation – defined contribution plans	400	317
Other employee related expenses	178	142
Total employee benefits	4,575	3,633
<i>Add</i> : AASB 16 Non-monetary benefits (not included in employee benefits expense)	9	10
<i>Less</i> : Employee contributions (per note 3.3 Other revenue)	(5)	(5)
Net employee benefits	4,579	3,638

Employee Benefits: include salaries, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as cars and free or subsidised goods or services) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Board is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle benefits are measured at the cost incurred by the Board.

Employee Contributions: contributions made to the Board by employees towards employee benefits that have been provided by the Board. This includes both AASB-16 and non-AASB 16 employee contributions.

Other employee related expenses: payments for fringe benefits tax, uniforms and employee wellness programs. The Board reclassified the prior year comparative by \$166,000 for consistency with the current year presentation as supplies and services. This reclassification has had no effect on the reported results of the Board. See note 2.2 Supplies and services.

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

2. Use of our funding continued

2.1(b) Employee related provisions

	2023 (\$000)	2022 (\$000)
Current		
Employee benefits provisions		
Annual leave	385	218
Long service leave	322	259
Purchased leave scheme	5	-
Other provisions		
Employee on-costs	39	3
Total current employee related provisions	751	480
Non-current		
Employee benefits provision		
Long service leave	162	160
Other provisions		
Employee on-costs	9	1
Total non-current employee related provisions	171	161
Total employee related provisions	922	641

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

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

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Board has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Board does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Purchased leave scheme: relates to employees who have entered an agreement to self fund additional leave entitlements. This scheme is classified as current as purchased leave that is not utilised is settled as at 1 January each year by the Board.

Employment on-costs: involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance and payroll tax (Note 5.4.1). RevenueWA is currently assessing if the Board is liable for payroll tax. The leave valuation for 2023 includes a 5.5% (\$39,000) (2022; Nil) payroll tax on-cost. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums and payroll tax are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Board's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Disclosures and Legal Compliance

Employee on-costs provision

	2023 (\$000)
Carrying amount at start of period	4
Additional provisions recognised	49
Payments/other sacrifices of economic benefits	(5)
Unwinding of the discount rate	-
Carrying amount at end of period	48

Key sources of estimation uncertainty – long service leave

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

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and programs

	2023 (\$000)	2021 (\$000)
Recurrent		
Apprentice & trainee employer grants	24,192	29,219
Supplementary skills subsidy	2,738	1,948
Work health & safety training subsidy	2,723	1,671
Apprenticeship attraction and retention programs	2,160	1,859
Careers promotion and sponsorship programs	1,885	735
Apprentice tool allowance	1,549	-
Other support payments	393	432
Total recurrent grants and programs	35,640	35,864

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use. Programs are services delivered to the building and construction industry workforce that are partly or wholly subsidised by the Board.

Apprentice & trainee employer grants are payments made by the Board to employers to reduce the salary and wage expense of apprentices and trainees within the building and construction industry.

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

2. Use of our funding continued

2.2 Grants and programs continued

Supplementary skills subsidies are payments made by the Board to Registered Training Organisations to reduce the cost for the construction and building industry workforce to attend approved short courses.

Apprenticeship attraction and retention programs are scholarships and career taster programs funded by the Board and delivered by Registered Training Organisations to provide an opportunity for students in year 9 and above, school leavers and mature job seekers to experience working within the building and construction industry.

Work health and safety training subsidy are payments made by the Board that subsidise health and safety training courses, including mental health programs to improve health and safety skills within the building and construction industry.

Career promotion and sponsorship programs are contracted services funded by the Board to promote careers in the building and construction industry. This includes industry engagement and awareness campaigns and funding awards for excellence. The Board reclassified the prior year comparative by \$79,000 for consistency with the current year presentation from other operating expenses. This reclassification had no effect on the reported results of the Board.

Apprentice tool allowance: A tool subsidy offered by the Board that provides eligible apprentices and trainees with a rebate of up to \$500 for the purchase of relevant tools and/or safety equipment that is required for the apprentice's on-the-job work, purchased between 1 July 2022 - 30 June 2023.

2.3 Other operating expenditure

	2023 (\$000)	2022 (\$000)
Supplies and services		
Consultants	2,799	766
Professional services	437	553
ICT maintenance expenses	299	485
Subscriptions	148	82
Travel	76	25
Administrative expenses	67	62
Industry events and seminars	58	69
Communications	53	57
Total supplies and services	3,937	2,099
Accommodation expenses		
Cleaning	108	95
Repairs and maintenance	102	59
Energy, water and rates	79	81
Total accommodation expenses	289	235
Other operating expenses		
Employment on-costs	210	532
Board costs	196	200
Levy collection fee	68	72
Other	123	64
Total other operating expenses	597	868

2.3 Other operating expenditure continued

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The Board reclassified the prior year comparative by \$166,000 for consistency with the current year presentation from other employee related expenses. This reclassification has had no effect on the reported results of the Board.

Accommodation expenses are recognised as an expense in the reporting period in which they are incurred. Where an accommodation expense relates to the replacement of a significant component of an asset, the cost is capitalised and depreciated.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. The Board reclassified the prior year comparative by \$79,000 for consistency with the current year presentation to grants and programs. This reclassification had no effect on the reported result of the Board.

Employee on-cost includes workers' compensation insurance and a provision for payroll tax see note 5.4. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Board obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Board and the relevant notes are:

	NOTES	2023 (\$000)	2022 (\$000)
Building and Construction Industry Training Levy	3.1	70,093	39,486
Interest revenue	3.2	1,181	44
Other revenue	3.3	169	486
Total income		71,443	40,016
Income from State Government	3.4	10	17
Total income from State Government		10	17

3.1 Building and Construction Industry Training Levy

	2023 (\$000)	2022 (\$000)
Building and Construction Industry Training Levy	71,871	40,648
Levy refunds	(1,778)	(1,162)
Total Building and Construction Industry Training Levy collected	70,093	39,486

Building and Construction Industry Training Board Notes to the Financial Statements

For the year ended 30 June 2023

3. Our funding sources continued

3.1 Building and Construction Industry Training Levy continued

The *Building and Construction Industry Training Fund Levy Collection Act 1990* applies to all residential, commercial, civil engineering and resource projects undertaken in Western Australia where the total value of construction is estimated to be more than \$20,000. A levy of 0.2% is applied to the total construction value of the project.

The levy is a contract with a customer under AASB 15. Levy revenue is recognised in full upon receipt from project owners or an authorised collection agent. An estimate of funds held by agents at the end of the reporting period is recognised as income for the period. The Board uses historical experience in the timing of returns from agents to estimate the value of the levy income receivable at the end of the reporting period.

The *Building and Construction Industry Training Fund Levy Collection Act 1990* provides for the Board to issue a refund where the value of construction works varies \$25,000 or more from the original estimate. Disclosure of Board judgements in estimating the provision for levy refunds is included at note 5.4 Other provisions.

3.2 Interest revenue

	2023 (\$000)	2022 (\$000)
Interest	1,181	44
Total interest revenue	1,181	44

The Board receives interest from funds held in short-term deposits. Interest revenue is recognised as it accrues.

3.3 Other revenue

	2023 (\$000)	2022 (\$000)
Revaluation increments (reversing prior expensed decrement)	95	445
Prior year insurance recoup	69	-
Employee contributions ^(a)	5	5
World skills	-	36
	169	486

(a) Income received by the Board from subleasing of right-of-use assets relates to lease payments received from operating leases. The Board has leased a number of right-of-use assets from State Fleet, which it subleases out to employees at a subsidised rate. Information on the Board's leasing arrangements with State Fleet can be found in note 2.1(a).

3.4 Income from State Government Appropriation received during the period:

The Building and Construction Industry Training Board is funded through the collection of the Building and Construction Industry Training levy and receives no State Government appropriation.

Resources received from other public sector entities during the period:

	2023 (\$000)	2022 (\$000)
State Solicitors Office – legal advice	10	17
	10	17

Resources received from other public sector entities is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

Disclosures and Legal Compliance

4. Key assets

Assets the Board utilises for economic benefit or service potential

This section includes information regarding the key assets the Board utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	NOTES
Property, plant and equipment	4.1
Right-of-use assets	4.2

4.1 Property, plant and equipment

	Land (\$000)	Building (\$000)	Exhibits (\$000)	Furniture & equipment (\$000)	Computer hardware (\$000)	Works in progress (\$000)	Total (\$000)
1 July 2022							
Gross carrying amount	2,740	3,417	2,896	738	645	109	10,545
Accumulated depreciation	-	(427)	(2,245)	(385)	(635)	-	(3,692)
Accumulated impairment loss	-	-	-	-	-	-	-
Carrying amount at start of period	2,740	2,990	651	353	10	109	6,853
Additions	-	10	-	-	-	87	97
Transfers ^(a)	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation increment ^(b)	10	85	-	-	-	-	95
Impairment losses ^(c)	-	-	-	-	-	-	-
Impairment losses reversed ^(c)	-	-	-	-	-	-	-
Depreciation	-	(85)	(344)	(76)	(5)	-	(510)
Carrying amount at 30 June 2023	2,750	3,000	307	277	5	196	6,535
Gross carrying amount	2,750	3,529	2,896	738	645	196	10,557
Accumulated depreciation	-	(529)	(2,589)	(460)	(640)	-	(4,218)
Accumulated impairment loss	-	-	-	-	-	-	-

(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Agency accounts for the transfer as a distribution to owner.

(b) The land and building revaluation increments reversed prior year decrements expensed to the Statement of comprehensive income.

(c) Recognised in the Statement of comprehensive income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

4. Key assets continued

4.1 Property, plant and equipment continued

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land; and
- building

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were valued as at 1 July 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,750,000 (2022: \$2,740,000) and buildings: \$3,000,000 (2022: \$2,990,000). As at 30 June 2023, there were no indications of impairment to property, plant and equipment.

Useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale and land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life
Building	40 years
Exhibits	5 years
Furniture and fit outs	5-10 years
Computer hardware	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

4. Key assets continued

4.1 Property, plant and equipment continued

Impairment

Non-financial assets, including items of infrastructure, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Board is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

4.1.1 Depreciation and impairment charge for the period

	2023 (\$000)	2022 (\$000)
Depreciation		
Exhibits	344	576
Building	85	79
Furniture and fit outs	76	95
Computer hardware	5	89
Total depreciation for the period	510	839

All surplus assets at 30 June 2023 have either been classified as assets held for sale or have been written-off.

4.2 Right-of-use assets

	2023 (\$000)
Vehicles	
Carrying amount at beginning of period	45
Extension of lease term	18
Impairment losses	-
Impairment losses reversed	-
Depreciation	(32)
Net carrying amount	31

The Board leases vehicles. The lease contracts are typically made for fixed periods of 1-6 years.

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

4. Key assets continued

4.2 Right-of-use assets continued

Initial recognition

At the commencement date of the lease, the Board recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.3.

The Board has elected not to recognise right-of-use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Board at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Board's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations.

	NOTES
Receivables	5.1
Other assets	5.2
Payables	5.3
Other provisions	5.4

5.1 Receivables

	2023 (\$000)	2022 (\$000)
Current		
Accrued levy income	1,417	1,044
Interest receivables	900	1
GST receivable	120	80
Other receivables	2	-
Total current receivables	2,439	1,125

Accrued levy income represents funds held by collection agents but not yet remitted.

Other receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

The **allowance for impairment of other receivables** is raised using a forward looking expected credit loss approach. During the year there were no levy receivables that became uncollectable and the Board do not have a history of uncollectable amounts, therefore the expected credit loss has been determined to be nil.

5.2 Other assets

	2023 (\$000)	2022 (\$000)
Current		
Prepayments	268	57
Balance at end of period	268	57

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.3 Payables

	2023 (\$000)	2022 (\$000)
Current		
Accrued expenses	2,560	1,800
Payables	140	501
Accrued employee benefits	-	104
Balance at end of period	2,700	2,405

Building and Construction Industry Training Board Notes to the Financial Statements

For the year ended 30 June 2023

5. Other assets and liabilities continued

Accrued expense represents the amount due to eligible grant applicants and suppliers but are unpaid at the end of the reporting period. Accrued expenses are generally settled within a month of being authorised by the Board.

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 20 days.

5.4 Other provisions

	2023 (\$000)	2022 (\$000)
Current		
Payroll tax	635	504
Levy refund	891	170
Apprentice tool allowance	86	-
Total other provisions	1,612	674

5.4.1 Movement in provisions

	2023 (\$000)
Provision for payroll tax	
Carrying amount at start of period	504
Utilisation of provision	-
Additional provision recognised	131
Carrying amount at end of period	635

The Board has been advised by RevenueWA that it is subject to payroll tax. The Board has lodged an exemption which is under consideration by the Commissioner of State Revenue. If no exemption is granted the Board has estimated the liability for up to 5 years of retrospective payroll tax.

	2023 (\$000)
Provision for levy refund	
Carrying amount at start of period	170
Utilisation of provision	(170)
Additional provision recognised	891
Carrying amount at end of period	891

The provision for levy refund claims represents Boards' best estimate of the future economic outflows that will be required under the Fund's obligation to refund levies where the project has been cancelled or value of construction varies \$25,000 or more from the original estimate. The estimate has been made on historical trends and may vary as the result of changes in the economic environment or other events affecting the building and construction industry.

	2023 (\$000)
Provision for apprentice tool allowance	
Carrying amount at start of period	-
Utilisation of provision	-
Additional provision recognised	86
Carrying amount at end of period	86

The provision for the apprentice tool allowance represents the Board's best estimate of the future cash payments to settle eligible apprentice and trainee claims for tools and safety equipment under the apprentice tool allowance scheme which ceased on 30 June 2023. The Board has allowed apprentices and trainees until 31 August 2023 to submit invoices dated on or before 30 June 2023 to receive the allowance. All claims will be settled within three months of the reporting period.

Disclosures and Legal Compliance

6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Board.

	NOTES
Cash and cash equivalents	6.1
Financial investments	6.2
Lease liabilities	6.3
Capital commitments	6.4

6.1 Cash and cash equivalents

	2023 (\$000)	2022 (\$000)
Current		
Operating account	11,056	33,878
Balance at the end of the period	11,056	33,878
Current restricted cash and cash equivalents		
World skills account	36	36
Balance at the end of period	36	36
Total cash and cash equivalents	11,092	33,914

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

6.2 Financial investments

Held-to-maturity financial assets are:

	2023 (\$000)	2022 (\$000)
Current		
Term deposits	54,000	5,000
Total financial investments	54,000	5,000

6.3 Lease liabilities

	2023 (\$000)	2022 (\$000)
Not later than one year	12	13
Later than one year and not later than five years	19	32
Later than 5 years	-	-
	31	45
Current	12	13
Non-current	19	32
Total lease liabilities	31	45

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Board uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

6. Financing

6.3 Lease liabilities continued

Lease payments included by the Board as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend 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 purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the Board exercising an option to terminate the lease.
- periods covered by extension or termination options are only included in the lease term by the Board if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, an index or a rate are recognised by the Board in profit or loss in the period in which the condition that triggers those payments occurs.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 4.2.

Lease expenses recognised in the Statement of comprehensive income

	2023 (\$000)	2022 (\$000)
Lease interest expense	2	2
Expenses related to variable lease payments not included in lease liabilities	-	-
Total lease expense	2	2

6.4 Capital commitments

As at 30 June 2023 the Board has nil capital commitments (2022; nil).

7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Board.

	NOTES
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2023 (\$000)	2022 (\$000)
Financial assets		
Cash and cash equivalents	11,092	33,914
Financial assets at amortised cost ^(a)	54,002	5,000
Total financial assets	65,094	38,914
Financial liabilities		
Financial liabilities at amortised cost ^(b)	2,731	2,450
Total financial liabilities	2,731	2,450

(a) The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

No contingent assets exist for the year ending 30 June 2023.

7.2.2 Contingent liabilities

Eligible Grant Payments

A primary goal of the Board is the payment of grants, subsidies and other benefits to individuals and employers who are able to demonstrate primary and substantial, direct involvement on relevant projects in Western Australia's construction industry, specifically in on-site construction, installation and/or fabrication activities. Board policy allows claims to be honoured up to five years after eligibility can be established.

At reporting date the Board is liable to make payment to an indeterminant number of claimants who met all eligibility requirements up to five years before the reporting date, however will only submit a claim after the reporting date. At this time the Board is unable to reasonably measure the amount or timing of any outflows from these claims.

Building and Construction Industry Training Board Notes to the Financial Statements

For the year ended 30 June 2023

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	NOTES
Events occurring after reporting date	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Money held in trust	8.6
Remuneration of auditors	8.7
Supplementary financial information	8.8

8.1 Events occurring after reporting date

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

8.2 Key management personnel

The Board has determined key management personnel to include cabinet ministers and senior officers of the Board. The Board does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Board for the reporting period are presented within the following bands:

(a) For the accountable authority:

Compensation band (\$)	2023	2022
40,001 - 50,000	1	1
10,001 - 20,000	8	8
1 - 10,000	1	-
	2023 (\$000)	2022 (\$000)
Total compensation for the accountable authority	191	196

The total compensation includes superannuation expense incurred by the Board.

(b) For Key Management Personnel, who were part of the executive management of the authority:

Compensation band (\$)	2023	2022
250,001 – 300,000	1	-
200,001 – 250,000	1	2
150,001 – 200,000	1	2
100,001 – 150,000	3	1
	2023 (\$000)	2022 (\$000)
Total compensation for the executive management team	1,027	908

No Key Management Personnel are members of the Pension Scheme.

8. Other disclosures continued

8.3 Related party transactions

The Board is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Board include:

- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority (Board) and their close family members, and their controlled or jointly controlled entities;
- all members of executive management and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

Outside of normal citizen type transactions with the Board, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

There are no bodies associated with the Board which would constitute that of a related body according to the disclosure requirements of the *Financial Management Act 2006*.

8.5 Affiliated bodies

There are no bodies associated with the Board which would constitute that of an affiliated body according to the disclosure requirements of the *Financial Management Act 2006*.

8.6 Special Purpose Account

World Skills account

The purpose of the account is to hold funds on behalf of the now deregistered Tilers WA Inc on agreement that the Board apply the funds for the sole benefit of assisting tiling apprentices to meet expenses related to the World Skills Championship competitions.

	2023 (\$000)	2022 (\$000)
Balance at start of period	36	36
Receipts	-	-
Payments	-	-
Balance at end of the period	36	36

8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023 (\$000)	2022 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	60	58

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

8. Other disclosures continued

8.8 Supplementary financial information

(a) Write-offs

During the financial year, nil (2022: nil) was written off from the Board's asset register under the authority of the accountable authority, Minister or Treasurer.

(b) Losses through theft, defaults and other causes

During the financial year, nil (2022: nil) losses of public money and public and other property resulted from theft, default or other causes.

(c) Forgiveness of debts

During the financial year, nil (2022: nil) debts were forgiven.

(d) Gift of public property

During the financial year, nil (2022: nil) gifts of public property were made.

9. Explanatory statement

9.1 Explanatory statement (controlled operations)

This explanatory section explains variations in the financial performance of the Board undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services based on the lower of the estimate or the prior year actual for the Statements of comprehensive income and Statement of cash flows; and
- Total Assets based on the lower of the estimate or the prior year actual for the Statement of financial position.

Disclosures and Legal Compliance

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.1 Statement of comprehensive income variances

	Variance note	Estimate 2023 (\$'000)	Actual 2023 (\$'000)	Actual 2022 (\$'000)	Variance between actual and estimate (\$'000)	Variance between results for 2023 and 2022 (\$'000)
Expenses						
Employee benefits expenses	1,a	3,948	4,575	3,633	627	942
Grants and subsidies	2	42,836	35,640	35,864	(7,196)	(224)
Supplies and services	3,b	2,946	3,937	2,099	991	1,838
Accommodation expenses		258	289	235	31	54
Depreciation and amortisation expenses	4	991	542	868	(449)	(326)
Finance costs		4	2	2	(2)	-
Other operating expenses		300	597	868	297	(271)
Total cost of services		51,283	45,582	43,569	(5,701)	2,013
Income						
Levy fees	5,c	41,000	70,093	39,486	29,093	30,607
Interest revenue	6,d	-	1,181	44	1,181	1,137
Other revenue		-	169	486	169	(317)
Total income		41,000	71,443	40,016	30,443	31,427
NET COST OF SERVICES		(10,283)	25,861	(3,553)	36,144	29,414
Income from State Government						
Resources received		-	10	17	10	(7)
Total income from State Government		-	10	17	10	(7)
SURPLUS / (DEFICIT) FOR THE PERIOD		(10,283)	25,871	(3,536)	36,154	29,407
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(10,283)	25,871	(3,536)	36,154	29,407

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.1 Statement of comprehensive income variances continued

Major Estimate and Actual (2023) Variance Narratives

- 1) Employee benefits expense is \$627,000 (15.9%) above the estimate due to 5 additional FTE approved by government during the year and entitlements paid to employees related to the updated WA government wages policy.
- 2) Grants and programs is \$7.2 million (16.8%) below the estimate largely due to lower than expected applications for the Apprentice Tool Allowance and reduced placements in funded apprentice attraction programs due to capacity constraints of service providers.
- 3) Supplies and services is \$991,000 (33.6%) over the estimate due to additional expenditure on upgrading the security and functional enhancement to the Fund's cloud based ICT environment. The additional expenditure was approved by government during the budget year.
- 4) Depreciation expense is \$449,000 (45.3%) below target due to delays in refurbishing the Construction Futures Centre to accommodate more exhibits and improve access for people with mobility restrictions. Delays have also been experienced in acquiring exhibits for the Construction Futures Centre.
- 5) Levy revenue is \$29.1 million (71.0%) above target due to significantly higher construction activity than anticipated within the resource and civil construction sectors resulting in increased levy revenue.
- 6) Interest revenue is \$1.2 million above target due to investments made after the Treasurer authorised the Board to invest surplus funds, on 25 May 2022.

Major Actual (2023) and Comparative (2022) Variance Narratives

- a) Employee benefits expense is \$942,000 (25.9%) above the prior year due to 5 additional FTE and entitlements paid to employees related to the updated WA government wages policy.
- b) Supplies and Services are \$1.8 million (87.6%) above the prior year due to expenditure related to upgrading the security and functionality of the Board's cloud based ICT environment.
- c) Levy revenue is \$30.6 million (77.5%) above the prior year due to the unanticipated receipt of significant levies for resource and civil construction projects.
- d) Interest revenue is \$1.1 million above 2022 actuals due to the Treasurer authorising the Board to invest surplus funds from 1 July 2022.

Disclosures and Legal Compliance

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.2 Statement of financial position variances

	Variance note	Estimate 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between results for 2023 and 2022 (\$000)
ASSETS						
Current assets						
Cash and cash equivalents		27,153	11,056	33,878	(16,097)	(22,822)
Restricted cash and cash equivalents		36	36	36	-	-
Financial investments	1,a	-	54,000	5,000	54,000	49,000
Receivables		1,030	2,439	1,125	1,409	1,314
Other current assets		12	268	57	256	211
Total current assets		28,231	67,799	40,096	39,568	27,703
Non-current assets						
Property, plant and equipment	2	7,827	6,535	6,853	(1,292)	(318)
Right-of-use assets		74	31	45	(43)	(14)
Total non-current assets		7,901	6,566	6,898	(1,335)	(332)
TOTAL ASSETS		36,132	74,365	46,994	38,233	27,371
LIABILITIES						
Current liabilities						
Payables		230	2,700	2,405	2,470	295
Employee related provisions		530	751	480	221	271
Lease liabilities		3	12	13	9	(1)
Other provisions	b	1,420	1,612	674	192	938
Total current liabilities		2,183	5,075	3,572	2,892	1,503

Building and Construction Industry Training Board

Notes to the Financial Statements

For the year ended 30 June 2023

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.2 Statement of financial position variances continued

	Variance note	Estimate 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between results for 2023 and 2022 (\$000)
Employee related provisions		191	171	161	(20)	10
Lease liabilities		56	19	32	(37)	(13)
Total non-current liabilities		247	190	193	(57)	(3)
TOTAL LIABILITIES		2,430	5,265	3,765	2,835	1,500
NET ASSETS		33,702	69,100	43,229	35,398	25,871
EQUITY						
Contributed equity		-	-	-	-	-
Reserves		-	-	-	-	-
Accumulated surplus		33,702	69,100	43,229	35,398	25,871
TOTAL EQUITY		33,702	69,100	43,229	35,398	25,871

Major Estimate and Actual (2023) Variance Narratives

- The Treasurer authorised the Board to invest excess funds on 25 May 2022. The significant increase in levy revenue resulted in the Board investing an additional \$49 million in 2022-23, in line with the Board's cash management policy.
- Property, plant and equipment is \$1.3 million (16.5%) below target due to unanticipated delays in refurbishing the Construction Futures Centre to accommodate more exhibits and improve access for people with mobility restrictions. Delays have also been experienced in acquiring exhibits for the Construction Futures Centre.

Major Actual (2023) and Comparative (2022) Variance Narratives

- Financial investments exceeded estimate by \$54 million due to the Treasurer authorising investment activities from 25 May 2022, therefore the Board, at the time of preparing the original budget, had not made an estimate for financial investments.
- Other provisions are \$938,000 (139%) above the prior year due to the recognition of additional provisions for the apprentice tool allowance, levy refunds for prior year receipts and payroll tax.

Disclosures and Legal Compliance

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.3 Statement of cash flows variances

	Variance note	Estimate 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between results for 2023 and 2022 (\$000)
Cash flows from operating activities						
Payments						
Employee benefits	1,a	(3,948)	(4,442)	(3,692)	(494)	(750)
Grants and program payments	2	(42,836)	(35,096)	(34,649)	7,740	(447)
Supplies and services	3,b	(3,227)	(4,188)	(1,557)	(961)	(2,631)
Accommodation		(255)	(293)	(234)	(38)	(59)
Finance costs		(4)	(2)	(2)	2	-
Other operating payments		(351)	(432)	(358)	(81)	(74)
GST payments on purchases	4	(300)	(802)	(562)	(502)	(240)
Receipts						
Levy received from project owners	5,c	41,000	70,441	38,795	29,441	31,646
Interest received		-	284	44	284	240
GST receipts from taxation authority	6	300	762	1,125	462	(363)
Other receipts		-	73	41	73	32
Net cash provided by operating activities		(9,621)	26,305	(1,049)	35,926	27,354
Cash flows from investing activities						
Receipts						
Proceeds on disposal of financial investments	7,d	-	5,000	-	5,000	5,000
Payments						
Purchase of financial investments	8,e	-	(54,000)	-	(54,000)	(54,000)
Purchase of non-current assets	9	(1,100)	(97)	(433)	1,003	336
Net cash used in investing activities		(1,100)	(97)	(433)	1,003	336

Building and Construction Industry Training Board Notes to the Financial Statements

For the year ended 30 June 2023

9. Explanatory statement continued

9.1 Explanatory statement (controlled operations) continued

9.1.3 Statement of cash flows variances continued

	Variance note	Estimate 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between results for 2023 and 2022 (\$000)
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(27)	(30)	(28)	(3)	(2)
Net cash used in financing activities		(27)	(30)	(28)	(3)	(2)
Net increase/(decrease) in cash and cash equivalents		(10,748)	26,178	(1,510)	36,926	27,688
Cash and cash equivalents at the beginning of the period		40,424	38,914	40,424	(1,510)	(1,510)
Cash and cash equivalents at the end of the period		29,676	65,092	38,914	35,416	26,178

Major Estimate and Actual (2023) Variance Narratives

- Employee benefits payments is \$494,000 (12.5%) above the estimate due to 5 additional FTE approved by government during the year and payments related to the updated WA government wages policy.
- Grants and program payments is \$7.7 million (18.1%) below the estimate largely due to lower than expected applications for the Apprentice Tool Allowance and reduced placements in funded apprentice attraction programs due to capacity constraints of service providers.
- Payments for supplies and services is \$961,000 (29.8%) above target to additional expenditure on upgrading the security and functional enhancement to the Fund's cloud based ICT environment. The additional expenditure was approved by government during the budget year.
- GST payments on purchases is \$502,000 (167%) over the estimate due to additional expenditure on taxable supplies.
- Levy receipts is \$29.0 million (70.8%) above target due to the payment of significantly higher than anticipated levies for resource and civil construction projects.
- GST receipts from taxation authority is \$462,000 (154%) above target due to additional input tax credits received from the Australian Taxation Office from purchases made by the Board.
- During the reporting period a \$5 million term deposit matured and was not reinvested.
- The Treasurer authorised the Board to invest excess funds from 22 May 2022. Through the course of 2022-23 invested a cumulative \$54 million in term deposits.
- Purchase of non-current assets is \$1.0 million (91.2%) below the estimate due to unanticipated delays in the design and supply of exhibits in the Construction Futures Centre, including the refurbishment of the centre required to house the exhibits.

Major Actual and Comparative (2023) Variance Narratives

- Employee benefits payments is \$750,000 (20.3%) above the prior year due to 5 additional FTE and payments related to the updated WA government wages policy.
- Supplies and Services payments are \$2.6 million (169%) above the prior year due to upgrading the security and functionality of the Board's cloud based ICT environment. The additional expenditure was approved by government during the budget year.
- Levy revenue is \$31.6 million (81.6%) above the prior year due to the unanticipated payment of significant levies values for resource and civil construction projects.
- In 2022-23 the Board drew down on a term deposit in order to invest in a higher yielding product. No estimate was made for the maturity and drawdown of term deposits during 2022-23.
- The Treasurer authorised the Board to invest excess funds from 22 May 2022. Through the course of 2022-23 the Board invested a cumulative \$54 million in term deposits.

Additional information in support of Key Performance Indicators

Disclosures and Legal Compliance

Mission

In collaboration with our stakeholders, we offer initiatives to develop and sustain an agile construction workforce; and to advocate construction as a career for all.

Government goal

WA Jobs Plan: Diversifying the WA economy, creating local jobs for the future.

Agency level Government desired outcome(s)

- The Construction Training Fund's programs support an increase in the number of persons in the building and construction industry with the skills required to meet the industry's workforce needs.
- The Construction Training Fund's programs support an improvement in the quality of training for the construction industry.

Key Performance Indicators – Effectiveness

Outcome 1: Programs support an increase in skilled workers in the industry.

KPI 1.1: The number of apprentices and trainees employed in the building and construction industry as a percentage of the trade workforce in the industry.

Number of apprentices and trainees	2022-23	2021-22*	2020-21*	2019-20*	
Apprentices and trainees in training ¹ (May each year)	10,134	9,912	8,148	6,350	
Number of tradespeople	2022-23*	2021-22*	2020-21*	2019-20*	
Tradespeople in industry (includes electricians) ²	78,601	64,600	65,100	55,800	
	Target	2022-23*	2021-22*	2020-21*	2019-20*
Training rate ³	12.0%	12.9%	15.3%	12.5%	11.4%

* The 2022-23 data set is updated from prior years with the addition of civil and engineering trades; the previous period comparatives data sets do not count these trades.

Note: all percentages are rounded to one decimal point

Why is this a key indicator of CTF's Performance?

Under the *Building and Construction Industry Training Fund and Levy Collection Act 1990* one of the Board's primary policy objectives is to increase the number of skilled people employed in the building and construction industry. The effectiveness of the Board's policies is represented through measuring, as proportion of the trade workforce within the building and construction work force, the number of persons in the industry undertaking a traineeship or apprenticeship.

How is this indicator calculated?

This effectiveness indicator is calculated by dividing the number of building and construction industry apprentices and trainees as identified in the West Australian Apprenticeship Management System (WAAMS) by the total number of trades people in the building and construction industry sourced from the Australian Bureau of Statistics.

Changes to the calculation since 2021-22

In 2022-23, the Board amended the calculation of this indicator by using an enhanced dataset that includes civil and engineering trades in the building and construction industry. This improvement increases the indicator's accuracy by reflecting more participants working and training in the building and construction industry.

Due to prior years' data sets not counting civil and engineering trades, the previous year's training rates are not directly comparable to the current year. Previous year training rates are published for reference purposes.

What does this indicator show?

There are currently 10,134 apprentices or trainees employed in the building and construction industry in Western Australia. This is 12.9% of the overall trade workforce which is slightly higher than the CTF target.

KPI 1.2

The number of subsidies issued for supplementary skills and work health and safety training or skills assessment as a percentage of the total workforce in the building and construction industry.

Number of people	2022-23	2021-22	2020-21	2019-20	
Workers in industry trained with CTF support ⁴ (financial years)	14,355	10,733	10,400	16,119	
Number of workers	2022-23	2021-22	2020-21	2019-20	
Number of workers in the industry ⁵	140,397	127,720	133,210	127,850	
	Target	2022-23	2021-22	2020-21	2019-20
Training rate ⁶	12.5%	10.2%	8.4%	7.8%	12.6%

Note: all percentages are rounded to one decimal point

Why is this a key indicator of CTF's Performance?

Under the *Building and Construction Industry Training Fund and Levy Collection Act 1990* one of the Board's primary policy objectives is to increase the number of skilled people employed in the building and construction industry. The Board supports all workers in the building and construction industry through subsidising supplementary skills and work health and safety training or a skills assessment. The effectiveness of the Board's policies is represented by the number of subsidies provided as a proportion of the total workers in the industry.

1. Department of Training and Workforce Development, June 2023
2. Australian Bureau of Statistics, CTF Mid-Quarter Month Spreadsheet - May 2022, Nov 2022, Feb 2023, May 2023
3. Training Rate in 1.1 is the ratio of apprentices to tradespeople
4. CTF D365 database
5. Australian Bureau of Statistics, Labour Force, Australia Detailed, Table 5. May 2023
6. Training Rate in 1.2 is the ratio of workers trained to industry workers

How is this indicator calculated?

This effectiveness indicator is calculated by dividing the number of subsidies for supplementary skills and work health and safety training or skills assessment issued by the Board by the number of workers in the building and construction industry.

The number of subsidies issued is determined by counting the number of apprentices, trainees or construction workers who attend training and subsequently benefited from a CTF subsidy. The Board's data set is collated from its customer relationship management system.

The total building and construction workforce number is sourced from Australian Bureau of Statistics.

Changes to the effectiveness indicator since 2021-22

The Board has amended the wording of the effectiveness indicator to replace the phrase "the number of people supported" with "the number of subsidies issued". This amendment clarifies what the Board is measuring.

What does this indicator show?

In 2022-23 CTF subsidised 14,355 workers in Western Australia's construction industry. Most of the training was undertaken in work health and safety and construction skills areas. The performance is below the target set of 12.5%.

The Board has invested \$1.6 million in marketing and communications during 2022-23 to raise awareness of the Fund's training support for the building and construction industry. The Board's aim in this investment is to drive a higher rate of training over the long term.

Outcome 2: Programs support an improvement in the quality of training.

KPI 2.1

The proportion of workers surveyed who are satisfied overall with the quality of training supported by the Construction Training Fund.

# Surveyed ⁷	# of responses	Very Satisfied	Target	2022-23	2021-22	2020-21	2019-20
5,241	447	414	80%	92.6%	96.2%	98.9%	94.3%

Why is this a key indicator of CTF's Performance?

Under the *Building and Construction Industry Training Fund and Levy Collection Act 1990* one of the Board's primary policy objectives is to improve the quality of training in the building and construction industry. By surveying workers undertaking subsidised training the Board can determine the overall quality of training based on receiving a valid sample of responses.

How is this indicator calculated?

This effectiveness indicator is calculated through a single question survey to determine overall satisfaction with training, across the total population sample of workers in receipt of supplementary skills and work health and safety rebate.

The calculation is the proportion of workers surveyed who are satisfied or very satisfied with the quality of training supported by the CTF.

Workers are defined as Apprentices, trainees or construction workers who have undertaken a subsidised supplementary skills or WHS training course within the financial year. It also includes those that made an individual claim or were part of a claim by an employer or a registered training organisation.

A valid sample is determined in reference to the Australian Bureau of Statistics advice on Sample Design for Various Population Sizes.

What does this indicator show?

While performance on this indicator was slightly lower than 2021-22 it is still well above the target of 80% satisfaction rates of those that rated the course as being satisfied or very satisfied.

Comments included: 'Exceptional trainer who delivered relevant and interesting content' and 'Amazing attitude and lots of relevant information'.

7. CTF Dynamics365 Customer Voice, July 2023

KPI 2.2

The proportion of workers surveyed who are satisfied overall with the quality of training supported by the Construction Training Fund.

# Surveyed ⁷	# responses	Very Satisfied	Target	2022-23*	2021-22*	2020-21*	2019-20*
3,429	398	347	75%	87.2%	79.2%	82.7%	93.1%

* The 2022-23 survey was sent to a broader population; the previous period surveys sampled a subset of the 2022-23 survey population.

Note: All percentages are rounded to one decimal point

Why is this a key indicator of CTF's Performance?

Under the *Building and Construction Industry Training Fund and Levy Collection Act 1990* one of the Board's primary policy objectives is to improve the quality of training in the building and construction industry. By surveying employers receiving a Board payment for an employee receiving training the Board can determine the overall quality of training based on receiving a valid sample of responses.

How is this indicator calculated?

This effectiveness indicator is measured through the results of a single question survey issued across the total population of employers receiving a milestone payment for an apprentice or trainee within the financial year.

The calculation is the proportion of employers surveyed who are satisfied or very satisfied with the quality of training supported by the CTF.

A valid sample is determined in reference to the Australian Bureau of Statistics advice on Sample Design for Various Population Sizes.

Changes to the calculation since 2021-22

The CTF has amended the measurement of the effectiveness indicator by surveying employer grant recipients rather than just those employers who received payments for supplementary skills. This amendment improves the measurement of training quality as a wider range of training courses supported by the CTF is subject to being surveyed.

Due to prior years' survey respondents being a subset of the 2022-23 survey cohort, the previous year's satisfaction rates are not directly comparable to the current year. Previous year satisfaction rates are published for reference purposes.

What does this indicator show?

From those who responded over 87% responded that they were satisfied or very satisfied with the quality of training their apprentices were receiving. This is well above the target set.

Comment: *'Great employee, great training, great incentives. CTF have been good.'*

8. CTF D365 Customer Voice, July 2023

Key Performance Indicators – Efficiency

Outcome 1: Programs support an increase in skilled workers in the industry.

KPI 1.1

“The total administration costs of the Building and Construction Industry Training Board as a percentage of the Construction Training Fund’s total expenditure.”

2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual	2019-20 Actual
20.0%	21.7%	17.9%	16.8%	15.4%

Why is this a key indicator of CTF’s efficiency?

Under the *Building and Construction Industry Training Fund and Levy Collection Act 1990* the Board is required to reinvest the levy collected back into the industry to improve the quality of training and to increase the number of skilled persons in the building and construction industry. The Board’s efficiency in paying these funds back to the industry is best characterised as the percentage that administrative costs represents of the Fund’s total expenditure during the reporting period.

How is this indicator calculated?

This efficiency indicator is calculated by dividing the administration cost of the Fund by the total cost of services, as disclosed on the face of the Statement of comprehensive income. Administrative costs are defined as all expenditure excluding grants and programs as disclosed on the face of the Statement of comprehensive income.

Changes to the calculation since 2021-22

In prior financial years costs associated with the Construction Training Council and Construction Futures Centre were excluded from administrative costs. The Board amended this methodology to include all expenditure to increase transparency and increase users’ ability to understand the efficiency of all expenditure.

The previous financial year actuals have been restated in line with the new methodology.

What does this indicator show?

The Board did not achieve its desired 2022-23 target of 20% of expenditure related to the administration of the fund.

The Board had an actual result of 21.7% of total costs represented by the administration of the Fund.

This result was largely driven by a combination of the significant short-term expenditure related to the enhancement of the Board’s ICT systems in response to several recommended reforms supported and a lower than anticipated take up of grants and programs due to capacity constraints on funded service providers and applications for pilot programs.

Administrative expenditure as a percentage of total expenditure has increased across the comparative years due to the Board’s sustained investment in restructuring and diversifying the services of the Fund, including investment in the Construction Futures Centre and ICT infrastructure.

The Board anticipates these investments will result in enhanced training and development outcomes for the building and construction industry and deliver long term service delivery efficiencies.

KPI 1.2

“The specific administration costs of the Building and Construction Industry Training Board represented as a cost per apprentice or trainee subsidised by Construction Training Fund.”

2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual	2019-20 Actual
\$69.00	\$109.57	\$76.29	\$88.76	\$86.66

Why is this a key indicator of CTF's efficiency?

Apprenticeship and traineeship subsidies provided by the Board constitute the majority of grant and program expenditure of the Fund. The cost to process each claim provides users with the ability to determine how efficient the Fund is in assessing, authorising, and paying each apprentice or trainee claim submitted.

How is this indicator calculated?

This efficiency indicator is calculated by dividing the administration cost of managing or processing apprentice and trainee subsidies by the head count of apprentices and trainees supported.

Administration costs are determined through surveying staff to allocate the portion of time spent

managing or processing programs that subsidise apprentices or trainees. A weighted average, based on employee remuneration, is then applied to the administrative costs of the Fund.

The headcount of apprentices and trainees is determined by counting individuals which payments were recorded against by the Board's customer relationship management system.

What does this indicator show?

The Board did not achieve its desired result of \$69.00 per apprentice or trainee subsidised, with an actual result of \$109.57.

The Board has experienced a trend of increasing specific administration costs per apprentice or trainee with the 2022-23 actual increasing by \$33.28 (43.6%)

compared to the prior year. This has been the result of the increase in administrative expenditure over the period, particularly the additional investment in cloud-based ICT solutions to improve the long-term security and efficiency in administering the fund. The short-term growth in administrative expenditure has outpaced growth in apprentices and trainees supported over the same period, however once the reform of the Board's ICT systems has been completed the Board expects the cost per apprentice or trainee to ease.

KPI 1.3

“The specific administration costs of the Building and Construction Industry Training Board represented as a cost per person supported by the Construction Training Fund to undertake skills training or vocational education.”

2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual	2019-20 Actual
\$28.00	\$60.44	\$50.96	\$35.10	\$32.46

Why is this a key indicator of CTF's Performance?

Subsidising continued training within the Building and Construction Industry to encourage the workforce to increase its skills is a key objective of the Board. The cost to process each skills training claim provides users with the ability to determine how efficient the Fund is in assessing, authorising, and paying each supplementary skills training or vocational education claim.

How is this indicator calculated?

This efficiency indicator is calculated by dividing the administration cost of managing or processing supplementary skills training and vocational education claims by the head count of persons supported.

Administration costs are determined through surveying staff to allocate the portion of time spent

managing or processing programs that subsidise supplementary skills training and vocational education. A weighted average, based on employee remuneration, is then applied to the administrative costs of the Fund.

The headcount of apprentices and trainees is determined by counting individuals which payments were recorded against within the Funds customer relationship management system.

What does this indicator show?

The Board did not achieve its desired result of \$28.00 per apprentice or trainee subsidised, with an actual result of \$60.44.

The Board has experienced a trend of increasing specific administration costs per apprentice or trainee with the 2022-23 actual increasing by \$9.48 (18.6%) compared to the prior year. This has been the result of the increase in administrative expenditure over

the period, particularly the additional investment in cloud-based ICT solutions to improve the long-term security and efficiency in administering the fund. The short-term growth in administrative expenditure has outpaced growth in apprentices and trainees supported over the same period, however once the reform of the Board's ICT systems has been completed the Board expects the cost per apprentice or trainee to ease.



Other statutory information

Ministerial directions

Treasurers Instruction 903 (12) requires the CTF to disclose details of any ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financing activities.

No Ministerial directives were issued to the CTF during the 2022-23 financial year.

Other financial disclosures

Capital works

Capital projects incomplete

The Board's capital works to refurbish the Construction Futures Centre to allow for more exhibits and showcase the construction careers in the resource sector remained in the detailed design phase during 2022-23. This has delayed the procurement process for construction stage of the project. The refurbishment is expected to be completed by the end of the 2023-24 financial year. The estimated total cost of the project is \$1,017,000 and the estimated remaining cost to complete the project at 30 June 2023 is \$799,000.

Capital projects completed

No capital projects were completed during 2022-23.

Employment and Industrial Relations

Staff Profile	2023	2022
Full-time permanent	29	28
Full-time contract	5	4
Part-time measured on an FTE basis	1	4
On secondment	1	1
	36	37

Staff development

The CTF has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment it operates in.

During the financial year, the CTF team received training in Accountable and Ethical Decision Making; Project Management, Contract Management, and new Work Health and Safety legislation.

Workers Compensation

The CTF received no (zero) compensation claims during the 2022-23 financial year.

Governance disclosures

Indemnity insurance

The Building and Construction Industry Training Board paid \$11,210.65 to indemnify any director (as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996*) against a liability incurred under sections 13 or 14 of that Act.

Recordkeeping plans

The CTF is committed to maintaining record keeping practices consistent with the *State Records Act 2000*. The current record keeping plan was reviewed by the State Records Commission in March 2019 and has approval for continuation until December 2023.

Other legal requirements

Unauthorised use of credit cards

Officers of the Construction Training Fund hold corporate credit cards where their functions warrant usage of this facility. All card holders are required to sign a card holder agreement outlining their responsibilities. One card holder inadvertently used the corporate credit card for personal use during the reporting period. The transaction was immediately acknowledged by the card holder and the money refunded.

	2023
	\$
Number of instances the Western Australian Government Purchasing Cards have been used for personal purposes	1
Aggregate amount of personal use expenditure for the reporting period	22.41
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	22.41
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	0
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period	0
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

Advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the agency incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2022-23 was \$1,575,906. Expenditure was incurred in the following areas:

Advertising expenditure

Expenditure	Organisation	Amount (\$)
	Meta	\$140,869
	Google	\$160,728
	TikTok	\$26,363
	Initiative Perth	\$747,960
	Housing Industry Association (HIA) Builders News	\$9,273
Advertising	Civil Contractors Federation (CCF) Bulletin	\$600
	Master Builders WA	\$3,250
	Construction Forestry Mining Energy Union (CFMEU) Construction Worker	\$3,990
	Build Australia	\$1,450
	Urban Development Institute of Australia (UDIA) Urbanist	\$2,000
Market research	Marketforce Group – Audience personas, brand health report	\$36,073
Polling	N/A	\$0
Direct mail	Campaign Monitor (email marketing platform)	\$1,076
	Media Stable – Public relations	\$9,900
Media Advertising	Marketforce Group – Advertising, content and design	\$285,362
	Initiative Perth – Media Buying and Planning	\$17,460
	Unify – Organic Social Media content	\$129,552
Grand total		\$1,575,906

Disability access and inclusion plan outcomes

The CTF has, through the Culture, Diversity and Inclusion Committee, developed the CTF Disability Access and Inclusion Plan 2023 – 28. This plan will guide the committee and all staff to ensure CTF's commitment to ensuring people with disability, their families and carers are able to fully access our services, information and facilities.

Compliance with public sector standards and ethical codes

The *Public Sector Management Act 1994* provides the principles of conduct for all public sector bodies and employees. These include compliance with any legislation governing conduct, Public Sector Commissioner's Instructions, Public Sector Standards and Code of Ethics.

The Code of Conduct prescribes mandatory standards of behaviour, conduct and integrity which is expected of all its employees. The Code places an obligation on all employees to take responsibility for their own behaviours, conduct and integrity, to work cooperatively with stakeholders, and to establish a safe and healthy workplace and culture.

The CTF has completed reporting to the Public Sector Commission through the Integrity and Conduct Annual Collection and the Boards and Committees Annual Collection.

Breaches of Standards Review

- Number of breaches lodged – 0
- Number of breaches found – 0
- Number of multiple breaches – 0
- Number still under review – 0

Public Sector Ethics, Integrity and Corruption prevention

The CTF is committed to compliance with the best practice requirements of the Public Sector Standards in Human Resource Management, the Public Sector Code of Ethics and our Staff Code of Conduct. As required under section 31 (1) of the *Public Sector Management Act 1994*, the CTF complies with the requirements of the Public Sector Standards and the Western Australian Public Sector Code of Ethics.

Human Resources (HR) policies and procedures were reviewed in 2022-23, updated and or amended. Changes are communicated to all staff at team events. The Code of Conduct and HR policies and procedures are provided to all new staff on commencement via the intranet.

The CTF Code of Conduct was refreshed in 2022-23 and was provided to all staff for signing in 2022-23.

Fraud, Corruption and Misconduct Prevention training was provided in 2022-23 to areas identified as potentially high risk.

As of 30 June 2023, 89% of permanent and contract staff had completed the Accountable and Ethical Decision Making (AEDM) training.

Public Disclosure

The *Public Interest Disclosure Act 2003* came into effect on 1 July 2003, requiring the agency to:

- Facilitate the disclosure of public interest information;
- Provide protection for those making disclosures; and
- Provide protection for those who are the subject of a disclosure.

The Agency has one Public Interest Disclosure Officer. The Agency has published internal policies and procedures relating to its obligations. There were no public interest disclosures in 2022-23.

Government policy requirements

Details of government board and committee remuneration

The Building and Construction Industry Training Board is a body corporate which is responsible for the administration of the training levy and operations of the CTF. The Board has nine members, drawn from key stakeholder bodies prescribed under Section 10(1) of the *Building and Construction Industry Training Levy Act 1990*. All Board members are appointed by the Minister for Training; Water; Youth.

Position title	Member Name	Type of remuneration	Period of membership	Term of appointment/tenure	Base salary/sitting fees (\$)	Gross/actual remuneration for FY (\$)
Chair	Reg Howard-Smith	Sitting fee	01 July 2022 – 30 June 2023	5 years	44,891	44,891
Member	Cheng Rolfe	Sitting fee	01 July 2022 – 30 June 2023	8 years	19,132	19,132
Member	Dean O'Rourke	Sitting fee	01 July 2022 – 30 June 2023	5 years	19,132	19,132
Member	Kerrie Matthews	Sitting fee	04 July 2022 – 30 June 2023	3 years	19,132	19,132
Member	Sandra McInnes	Sitting fee	01 July 2022 – 20 January 2023	5 Years	11,160	11,160
Member	Emma Doyle	Sitting fee	22 May 2023 – 30 June 2023	3 years	1,594	1,594
Member	Michael Buchan	Sitting fee	01 July 2022 – 30 June 2023	6 years	19,132	19,132
Member	Paula West	Sitting fee	01 July 2022 – 30 June 2023	3 years	19,132	19,132
Member	Stan Liaros	Sitting fee	01 July 2022 – 30 June 2023	6 years	19,132	19,132
Member	Steve McCartney	Sitting fee	01 July 2022 – 30 June 2023	3 years	19,132	19,132
Member	Kate Osborn	Sitting fee	01 July 2022 – 05 July 2023	2 years	0	0
Total (\$)					191,569	191,569

Work health, safety and injury management

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

The CTF promotes a consultative environment in which management and employees work together to continually improve work health and safety practices. During 2022-23, the Work Health and Safety Committee has worked with the CTF Executive to provide all employees with an external ergonomic assessment of their workstations. The outcome of the assessment is to be evaluated by the Committee and the recommendations presented to the Executive for discussion and review.

All recommendations from the WHS Compliance Audit undertaken at the end of 2020 have been completed and a second external compliance audit will be arranged towards the end of 2023. Employees are kept regularly informed on any WHS matters through emails and regular team meetings. The Work Health and Safety Committee are focused on continual improvement within the CTF with ongoing initiatives being implemented. The CTF's work health and safety statistics for 2022-23 are shown below:

Measures	2020/21	2021/22	2022/23	Targets	Comments about targets
Number of fatalities	0	0	0	0	NA
Lost time injury and disease incidence rate	0	0	0	0 or 10% reduction in incidence rate	NA
Lost time injury and severity rate	0	0	0	0 or 10% reduction in severity rate	NA
Percentage of injured workers returned to work (i) within 13 weeks	N/A	N/A	N/A	Greater than or equal to 80%	NA
Percentage of injured workers returned to work (ii) within 26 weeks	N/A	N/A	N/A	Greater than or equal to 80%	NA
Percentage of managers trained in work safety, health and injury management responsibilities, including refresher training within 3 years	1 FTE (25%)	2 FTE	2 FTE	Greater than or equal to 80%	NA

WA Multicultural Policy Framework

The CTF celebrates diversity and promotes a diverse and inclusive work environment. To embrace our diversity goals, the CTF has established a Culture, Diversity and Inclusion committee. This committee has developed policies and processes that embed diversity within the workplace, reporting through outcomes achieved within the Western Australian Multicultural Policy Framework (WAMPF) 2021–24.

The CTF employs six culturally and linguistically diverse (CaLD) employees representing 16% of the total CTF workforce. The substantive equity statement is now included in all job advertisements.

During the 2022-23 financial year a number of activities were undertaken including celebrations, and professional development. There was the creation of a yearly calendar including a range of culturally significant dates where these dates are acknowledged by all staff and celebrated wherever possible. The team celebrated Harmony Day with a Food Festival.

There has been plenty of activity in the professional development space with staff participating in Kaleidoscope Diversity and Inclusion, Auspire Cultural Awareness, PSC online cultural awareness training and the Diverse WA online training.

The CTF joined the Translating and Interpreting Services (TIS National) and has included this information on the CTF website to encourage anyone needing an interpreter to use the service.



This page intentionally left blank



Ph: 61 8 9244 0100

www.ctf.wa.gov.au info@ctf.wa.gov.au

PO Box 303, Cloverdale WA 6985

104 Belgravia Street, Belmont WA 6104

