



# Australian Brick & Blocklaying Training Foundation Ltd

**ANNUAL REPORT  
2018-2019**

A.C.N. 097 159 914

(A company limited by guarantee).





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# Directory

## **Registered Office and Postal Address**

2, 42-46 Cochrane Road,  
Moorabbin VIC 3189

Telephone: 03 9556 3000  
1300 66 44 96

Facsimile: 03 9556 3099

## **Acting Chief Executive Officer**

Charlie Condo

## **Regional Managers / Manager**

Tony Bishop  
Gary Brown  
Dean Pearson

## **Accountant**

Canny Group

## **Auditor**

Davidsons Assurance Services Pty Ltd

[becomeabricklayer.com.au](http://becomeabricklayer.com.au)  
1300 66 44 96



# MEMBER COMPANIES

Clay brick and concrete masonry manufacturing companies are committed to the ABBTF training scheme to provide a skilled workforce with the capacity to meet the industry demand for their products.

Member companies are actively involved across all States and the ACT with the promotion of bricklayer training and employment, product support for training and advising their customers of ABBTF programs and activities.

Our valued member companies:

## Victoria

Austral Bricks  
PGH Bricks & Pavers  
Austral Masonry  
Adbri Masonry

## Tasmania

Austral Bricks  
Adbri Masonry  
Island Block & Paving

## New South Wales

Austral Bricks  
PGH Bricks & Pavers  
Austral Masonry  
Adbri Masonry  
Namoi Valley Brickworks  
Baines Masonry

## Australian Capital Territory

Austral Bricks  
PGH Bricks & Pavers  
Adbri Masonry  
Austral Masonry

## Queensland

Austral Bricks  
PGH Bricks & Pavers  
Austral Masonry  
Adbri Masonry  
Scott Brickworks

## Western Australia

Austral Bricks

## South Australia

Austral Bricks  
PGH Bricks & Pavers  
Adbri Masonry  
Boral Masonry

**adbri** MASONRY  
working together

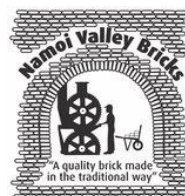
**australbricks®**

**australmasonry®**

**PGH** BRICKS & PAVERS™



islandblock.com.au



# CHAIRMAN/ACTING CEO'S MESSAGE



**Charlie Condo**  
National General Manager  
Boral Roofing and Masonry

I am pleased to present the 2019 Annual Report on behalf of Australian Brick & Blocklaying Training Foundation Ltd (ABBTF). This report provides an opportunity to reflect on ABBTF's achievements for the year.

We have noticed a slight decline in the national supported numbers due to market conditions and a downward turn in market conditions across the industry.

ABBTF supported 1,343 apprentices in training, and over 500+ new apprenticeship commencements.

Current demand for Bricklayers remains strong across the eastern and southern states. Known rolling vacancies for brick/blocklaying apprentices across Australia is estimated at 100+ our focus remains on filling these vacancies, meeting the demand of the employers and engaging with new/existing apprentices and employers.

As I resign from my position as a Chair, and in my capacity as Acting CEO, I would like to mention the privilege it has been to be part of the dedicated ABBTF team who on a daily basis work to attract apprentices into the industry with enthusiasm, passion and resilience.

On behalf of the Board of Directors, I would like to thank the ABBTF team for their ongoing efforts and commitment.

I would also like to thank the Board Members for their continued work and support.

**Charlie Condo**



We are  
celebrating  
our  
achievements  
in 2019 and  
look forward  
to striving for  
continued  
success in  
2020.

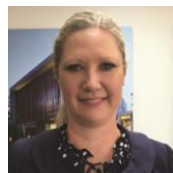
# OUR PEOPLE – BOARD MEMBERS



**Charlie Condo (Chairman)**  
National General Manager  
Boral Roofing and  
Masonry  
Appointed: 13-05-2015



**Nick Pezet (Deputy Chairman)**  
Executive General Manager  
PGH Bricks & Pavers  
Appointed: 02-03-2011



**Josie Costanzo**  
General Manager  
Austral Bricks Australia  
Appointed: 13-11-2018



**Andrew Dell**  
Executive General Manager -  
Concrete Products  
Adbri Masonry  
Appointed: 13-05-2015



**Tim Murphy**  
Director  
Fugen Group  
Appointed: 18-11-2008



**Steve Tankey**  
Director  
Porter Davis Homes  
Appointed: 01-12-2010



**Ian Pedley**  
Director  
IRP Masonry  
Appointed: 14-11-2016



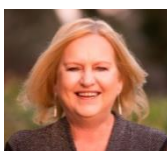
**Ray Favetti**  
Director  
Favetti Group of Companies  
Appointed: 16-02-2017



**Simon Croft**  
Executive Director  
Building Policy, Housing Industry  
Association  
Appointed: 16-02-2017



**Alex Waldren**  
National Director  
Industry Policy, Master Builders Australia  
Appointed: 06-03-2019




**Susan Johnsen**  
Company Secretary  
Australian Brick & Blocklaying Training  
Foundation Ltd  
Appointed: 30-05-2018

## Directors who have resigned during or since the end of the financial year:

<b>Lindsay Partridge AM</b>	Managing Director, Brickworks Limited	Resigned 22-08-2018
<b>Robert Berryman</b>	Executive Director, Trades, Construction and Communities, North Metro TAFE	Resigned 26-11-2018
<b>Robert Wilson</b>	National Director – Workforce Development and Training, Master Builders Association	Resigned 08-01-2019
<b>Mark Ellenor</b>	Group General Manager, Austral Bricks	Resigned 18-01-2019
<b>Ian Stoneman</b>	Chief Executive Officer, Australian Brick & Blocklaying Training Foundation Ltd	Resigned 18-04-2019
<b>Charlie Condo</b>	National General Manager Boral Roofing and Masonry	Resigned 15-08-2019



# COMPANY VALUES



This year, 'Become a Bricklayer's – Our Values' document was created and distributed to all staff members.

The intent is to use these values as a set of guiding principles to help us function better together as a team and use it like a guiding principle to interact with our key stakeholders.

We embrace values and behaviours that make a difference to the way we work with the community around us. We aim to create a vibrant, positive and dynamic environment by encouraging all staff to engage and practice the following values:

Great people drive our culture. We embrace values and behaviours that make a difference to the way we work and the community around us. We aim to create a vibrant, positive and dynamic environment by encouraging all staff to engage and practice the following values:

# COMPANY VALUES

## PEOPLE

We understand that people are at the core of what we do and readily accept the difference in people to create a harmonious environment. We are all responsible for creating a culture that provides an environment that is safe and fair.

## EMPOWERMENT

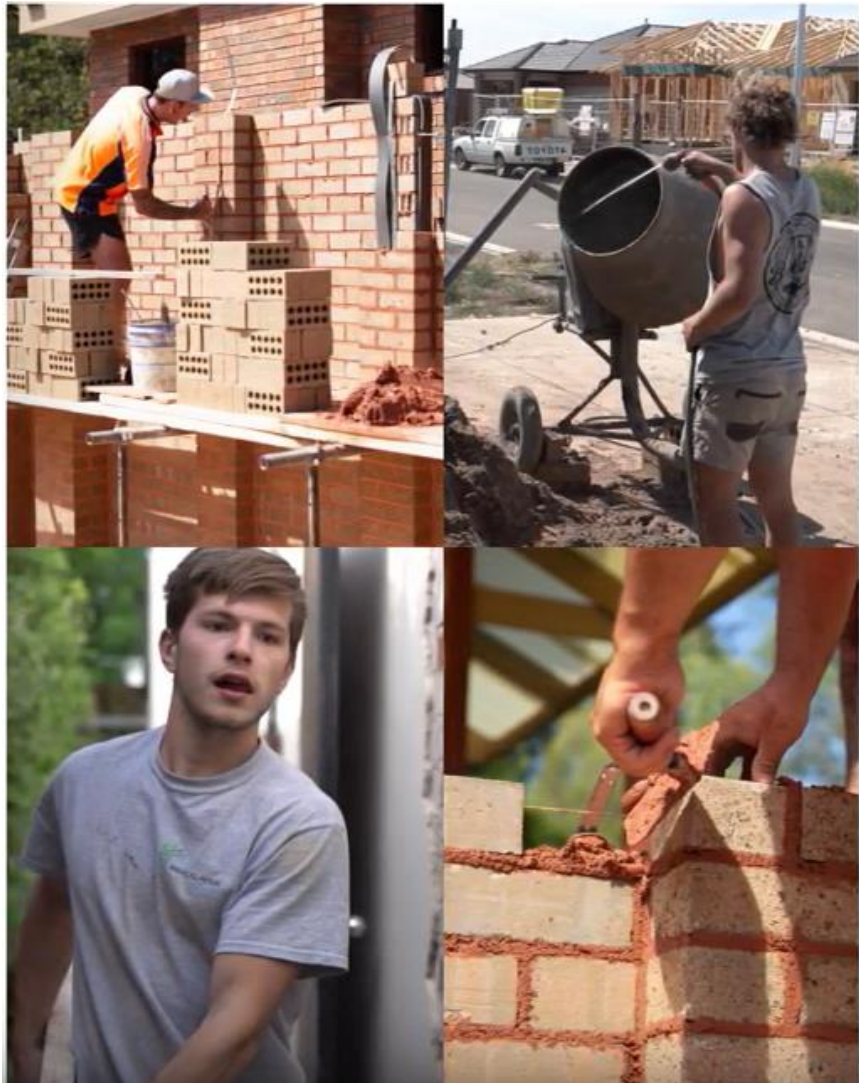
We empower all staff to deliver a professional level of service that supports the delivery of operational excellence.

## RESPONSIBILITY

We are responsible to fulfil our commitment to staff and candidates with a clear understanding of the standards and accountabilities required.

## TRANSPARENCY

We believe in open, honest and responsive communication and collaboration with all staff





# OUR ORGANISATIONAL KEY OBJECTIVES



As our number one purpose, we continue to support young Australians build a career in the building and construction industry, starting with an apprenticeship in bricklaying /blocklaying.

This is achieved by providing a number of support services and resources for both apprentices and employers, as well as educating students, teachers, career advisors and parents about the different career pathway options and opportunities that exist with a Certificate III qualification in bricklaying/blocklaying.

- 1 To improve and monitor completion rates for apprentice bricklayers.
- 2 To improve and monitor retention rates within the building industry.
- 3 To measure, forecast and plan for bricklayer demand and the number of bricklayers required.
- 4 To train sufficient numbers of bricklayers taking into account completion, retention, retirement rates and industry demand.
- 5 To encourage higher standards of behaviour, productivity, efficiency and quality throughout the building industry.
- 6 To gain full acceptance and support from the building industry community through recognition of the benefits bricklayer training provides.



# OUR CURRENT STRATEGIES



## ATTRACT

ABBTF's attraction activities and efforts will be focused on maintaining and developing a throughput of quality and eligible candidates.

## PREPARE

ABBTF will provide a suite of tailored and interactive programs aimed at ensuring candidates are prepared and suited to a career in bricklaying.

## PLACE

ABBTF's #1 priority is the placement of candidates into bricklaying vacancies and to support employment outcomes across the industry including: work trial, pre-apprenticeship training, trade-based roles, other trade apprenticeships and other employment outcomes.

## RETAIN

ABBTF will lead the industry in providing a range of services and support, at critical milestones, to improve the retention of apprentices currently under training.



# PERFORMANCE HIGHLIGHTS

## WorldSkills Competition



Paul Coon took Gold at the Global Skills Challenge 2019 ahead of Lewis Greenwood (UK) who took the silver and Sergei Kherkun (Russia) who will go home with the Bronze.

1. With a focus on high achievers and award winning apprentices, ABBTF's \$20,000 sponsorship supported Paul Coon at the International Competition.
2. 15 competitors from Australia went to Russia for the WorldSkills International competition in August, including Paul Coon who won Gold at Global Skills '19. Paul competed against the best bricklayers from countries such as the United Kingdom, China, Russia and more. Bricklayers were given four days to complete a range of different builds, all testing essential and creative skills.
3. ABBTF acknowledges how complex and involved these international projects are. It is an incredible achievement to get to this level and an even greater accomplishment to finish. We are very proud of what Paul has achieved.



**Our IMPACT**  
Nationally  
ABBTF Supported  
Apprentices

**1,343**

Pre-Apprenticeship  
and Other  
Pathway Outcomes

**450+**

Expos and Events

**105**

**5,000+**  
Engaged

**Focus on Digital Growth**  
Social Media Engaged Followers

**13,000+**  
INSTAGRAM Growth  
**OVER 70%**

Work Ready Programs

**56**

**500+**

New Commencements

**ABBTF Delivered  
STATE and FEDERAL  
Funded Programs**

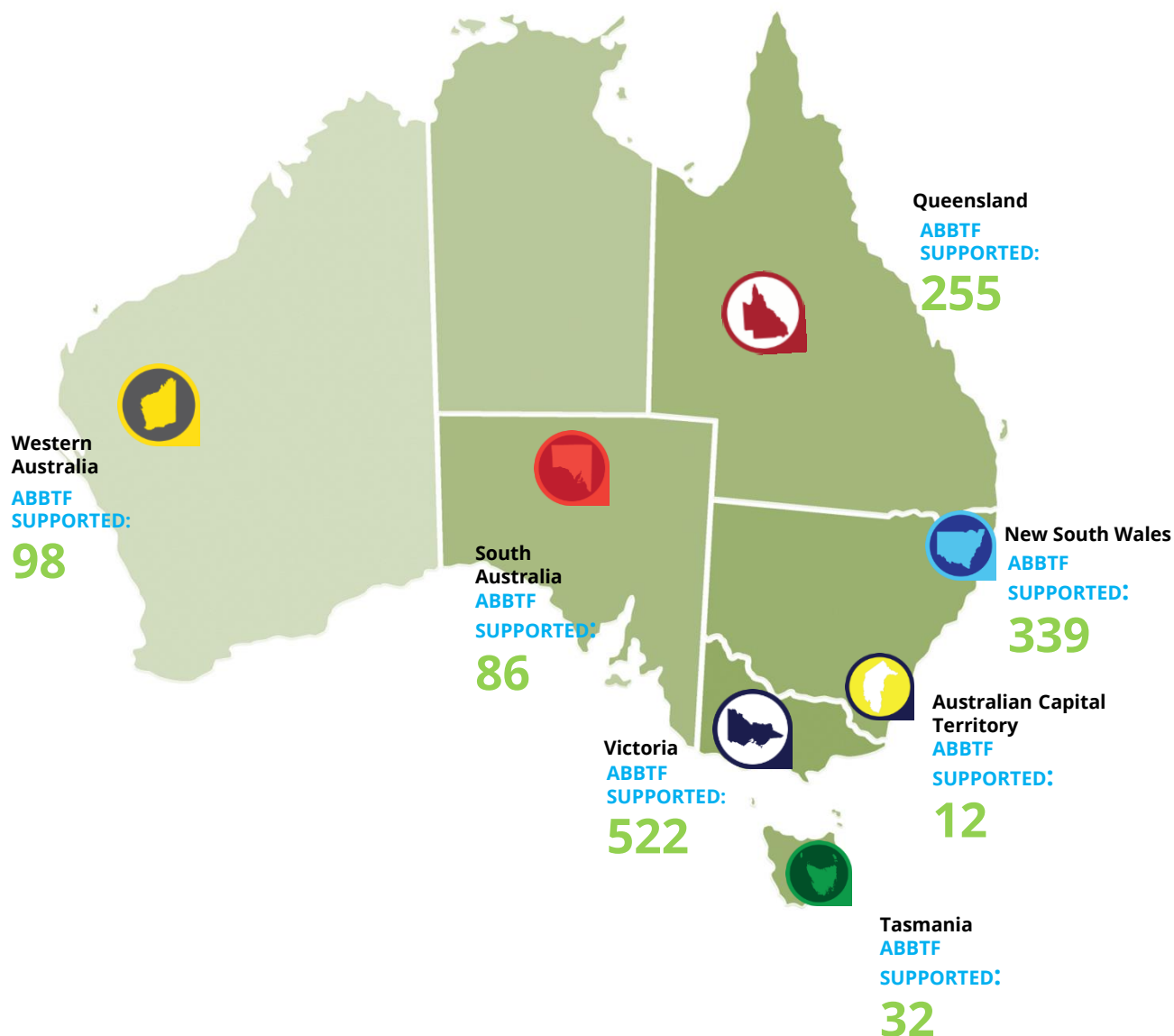
Apprentices  
Recommended in this  
financial year

**166+**

# NATIONAL OVERVIEW – OPERATIONAL

July 2018 - June 2019

**ABBTF Supported 1,343  
Apprentices Nationally**





# NATIONAL OVERVIEW

## FINANCIAL RESULTS

ABBTF operating activities for the year 2018/19 resulted in a \$10,165 (deficit) against a budgeted \$290,794 (deficit). 2017/18 was \$409,334 in surplus.

Contributions from industry and member companies were declined by 9.3% compared with the previous year, due to the continuing economic impact in Western Australia and a slowing of residential building activity in all other States.

Operating costs were 3.8% below the previous year. The company is exempt from paying income tax.

## Vacancies

The focus during the year was to recruit and prepare young people for the trade to fill vacancies for brick/blocklaying apprenticeships where employment opportunities were identified.

The number of known rolling vacancies for brick/blocklaying apprentices across Australia is estimated at 117 with new vacancies identified as existing vacancies are filled.

## NEW APPRENTICESHIP OUTCOMES

**487**

## RECOMMENCEMENT OUTCOMES

**166**

## OTHER OUTCOMES

**352**

## TOTAL OUTCOMES

**1,005**

ABBTF is aware of the high rate of attrition with apprentice brick/blocklayers which is a substantial cost to the building and construction industry, and the training sector, with only approximately 50% of apprentices completing their training to gain their Certificate III Bricklaying/Blocklaying qualification. More than 60% of these cancellations occur in the first year.

To combat the growing challenge in apprentice retention, ABBTF have implemented a retention strategy to address this issue to improve apprenticeship completion rates.

# NATIONAL OVERVIEW

## RETENTION STRATEGY

The retention process is as follows:

- A new CRM has been implemented to track apprentices and manage Brickstart subsidy claims.
- Information on apprentice and employer obligations is sent separately on “What to Expect” and “What is Expected of You” to assist the working relationship.
- Apprentices and employers are contacted regularly to confirm retention and provide advice.
- If a cancellation occurs, our team contacts the apprentice and the employer to determine reasons for the cancellation and their future intentions.
- We work to create recommencement opportunities for the apprentice with a new employer.
- We work with the employer to find a suitable candidate for a new sign up.
- Reasons for cancellations from both parties are monitored and used in the recommencement selection process.
- Reports on cancellation reasons, employment duration to cancellation and attrition rates assists in future strategies.

Our Recruitment and Retention strategy supports our vision to ‘sustain the future workforce of the clay brick and concrete masonry industry’ and sets out how we aim to attract and retain great Bricklayers/Blocklayers.

## ON-BOARDING

- Deliver a robust onboarding pack to create a sense of belonging and help apprentices identify with the industry right at the start.
- Making six ‘touch points’ via the CRM in the first year of the customer journey and commencing follow up and field visits as appropriate.
- Follow up regularly and gain feedback with RTO/TAFE teachers, apprentices and employers to measure the retention rate.



# NATIONAL OVERVIEW

## **Below are our key support initiatives to increase the trade qualified bricklayers:**

### **Building our Brand**

To ensure our brand is distinct and represents us accurately, the decision was made to pursue 'Become a Bricklayer – Your Future Freedom' to promote our primary brand and utilise Australian Brick & Blocklaying Training Foundation Ltd as the registered name of the company.

### **Work Ready Programs**

During the year ABBTF conducted 56 Work Ready Programs nationally. This Free four-or-five-day program gave job seeker candidates the opportunity for a 'hands on' opportunity to try the trade along with basic brick/blocklaying skills to make them job ready on-site. ABBTF actively seeks to match successful Work Ready Program completions with employers resulting in apprenticeships, pre-apprenticeship and labourer outcomes.

### **Careers Expos and Try-a-Trade Events**

During the year ABBTF operational staff attended 105 careers expos and events including many which facilitated an opportunity for school students and job seekers to try the trade.

### **Jobs Board Portal**

<https://www.becomeabricklayer.com.au/jobs/>  
Jobs Board portal was rolled out nationally in August 2018. The portal is specifically designed for the Australian bricklaying industry, to help employers connect with local apprentices. The portal works as a free platform for the employers, to advertise apprenticeship jobs. We are proud of our very own online Jobs Board, it has supported apprentices, bricklayers and employers to connect with each other.





# NATIONAL OVERVIEW

The platform has also assisted in growing our organic reach to potential apprentices and has proven to be a successful marketing tool.

## Career Pathways Website

<https://careerpath.becomeabricklayer.com.au/>

Launched our Career Pathways platform in December 2018, the purpose of this platform is to spread brand awareness of the bricklaying career path. This website is a hub for showcasing the potential career opportunities in video format, with real stories of success highlighting the paths bricklayers took to get there.

This platform marks another step towards our goal to deliver innovative services and digital solutions to support our business.

## Website Calendar

<https://www.becomeabricklayer.com.au/events/>

A National Calendar was created on the Become a Bricklayer website. The aim of this implementation was to give the job seekers/potential apprentices a holistic view of our upcoming programs and ease of use to view when and where our programs are being held around Australia and the ability to make bookings.

## Skill Shortage in Bricklaying

The skill shortage in bricklaying is acknowledged by the Federal Government with bricklaying retained on the Skilled Occupation List and Bricklaying apprenticeships noted for additional incentives under the Additional Identified Skills Shortage payment initiative effective 1 July 2019.

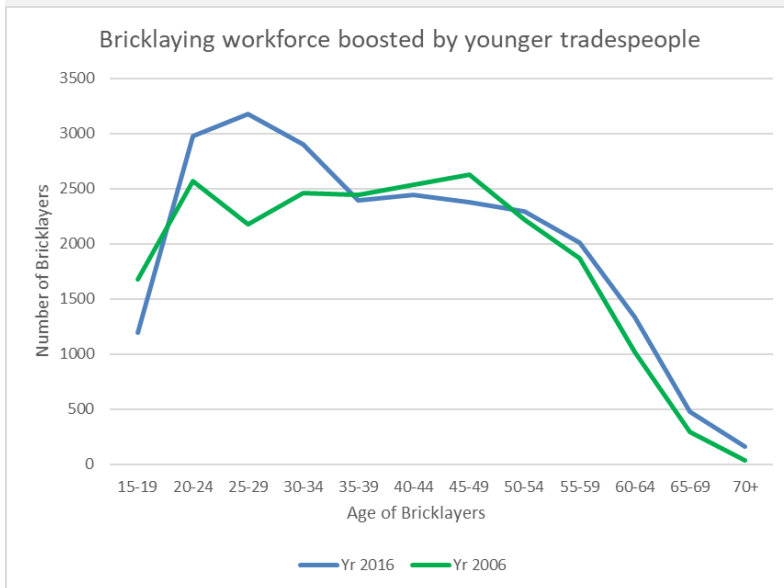
## Government Funding

- ABBTF has actively sourced Government Funding initiatives and opportunities to contribute to the cost of our programs. This is being done via:
- Partnering with Federal and State Governments;
- Training and vocational outcomes in under employed locations
- Targeting youth unemployment.



# NATIONAL OVERVIEW

## Bricklaying workforce boosted by younger tradesmen



The new age of bricklayers representing the future of the construction industry in Australia. Strong growth in young apprentices as a result of the ABBTF programs.

**The increase in the 15-29 year old bricklayers, makes up 31% of the total age breakdown.**



# FUNDING

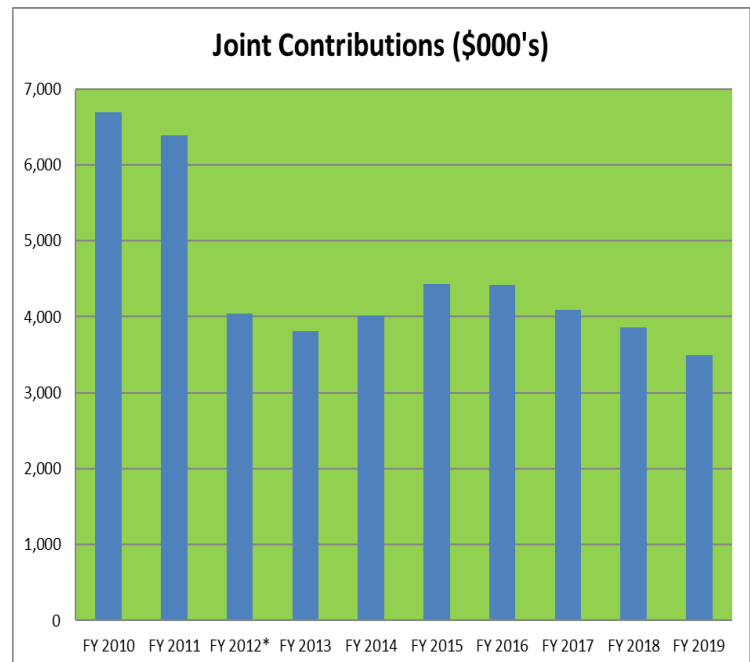
ABBTf's programs to address the Skill Shortage in bricklaying and blocklaying are funded by a small levy on the sale of clay bricks and concrete masonry and a matching contribution from brick and block manufacturers. The levy represents \$12 on the cost of an average house and \$30 in Western Australia where double brick construction is prominent.

The Australian Competition and Consumer Commission has granted authorisation (No. A91418) to ABBTf and participating member companies to apply the levy on the sale of clay bricks and concrete masonry products. The authorisation is in place for ten years until 25 July 2024.

## Levy Calculation

<b>Clay Bricks:</b>	<ul style="list-style-type: none"> <li>▪ \$1.50 per thousand bricks delivered</li> <li>▪ Applies to units not standard brick equivalents</li> </ul>
<b>Concrete Masonry:</b>	<ul style="list-style-type: none"> <li>▪ 7.5 cents per square metre in the wall</li> <li>▪ Includes all fractions</li> </ul>
<b>Excludes:</b>	<ul style="list-style-type: none"> <li>▪ Pavers</li> <li>▪ Landscape products</li> <li>▪ Clay special shapes</li> <li>▪ Export sales</li> <li>▪ Inter-company yard transfers</li> <li>▪ Sales to participating companies</li> </ul>

## Total Levy and Matching Contributions



\*From 1 July 2011 the levy and matching contributions were reduced by 25%.

Funds collected in each state are applied to programs to address the Skill Shortage in the state.

Note: In Western Australia double height clay bricks attract a levy of \$3 per thousand. There is no levy on the sale of concrete masonry.



# DIRECTORS REPORT

## YEAR ENDED 30 JUNE 2019

### Dividends

The company does not have a share capital and it is precluded from paying dividends.

### Significant Changes

The restructure of the business was completed during the year with additional resources allocated to operational functions to increase our market presence and support our key organisational objectives.

The Information and Communication Technology (ICT) Refresh project delivered several key project components during the year including infrastructure, hardware and software solutions to the business.

The implementation of a Customer Relationship Management (CRM) digital resource was embraced by the business and further enhancements along with SharePoint Intranet and voice communication collaboration will be implemented in the next 12 months.

### Matters subsequent to Balance Date

There are no matters or circumstances which have arisen since 30 June 2019 that have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the financial years Subsequent to that financial year.

### Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Superannuation Trustees

Contributions for employees are made to superannuation funds, which are totally independent of ABBTF.

### Contracts with Directors

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration of directors shown in the accounts) by any reason of a contract made by the company with any director, or with a firm of which a director is a member, or with a company in which a director has a substantial financial interest.

With the exception of the following: ABBTF subsidies for the employment of apprentice bricklayers are paid on a valid claim from the following:

- Fugen Group with whom Tim Murphy is a Director;
- Porter Davis Homes with whom Steve Tankey is a Director;
- IRP Masonry with whom Ian Pedley is a Director; and
- Favetti Group of Companies with whom Ray Favetti is a Director.

These companies are eligible to claim the support in accordance with the ABBTF terms and conditions of the apprentice employment subsidy.

# DIRECTORS REPORT

## Indemnifying Officer or Auditor

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary, and all executive officers of the company against a liability incurred as a director, company secretary or executive officer to the extent permitted by the Corporations Act 2001.

The company has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as an officer or auditor.

Signed in accordance with a resolution of the Board of Directors:

Director



Nick Pezet

Director



Josie Costanzo

Dated at Melbourne this 26th day of September 2019.

# DIRECTORS DECLARATION

## DIRECTORS DECLARATION

The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Director



Nick Pezet

Director



Josie Costanzo

Dated at Melbourne this 26th day of September 2019.

# AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN BRICK & BLOCKLAYING TRAINING FOUNDATION LTD

### Opinion

We have audited the financial report of Australian Brick & Blocklaying Training Foundation Ltd (the company), which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of the company is prepared, in all material respects, in accordance with the Corporations Act 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the company for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# AUDITOR'S REPORT



## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report in accordance with the Corporations Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Stephen Kirtley  
*Director*

A handwritten signature in dark ink, appearing to read 'S. Kirtley', written over a light blue horizontal line.

Dated this 9th day of October, 2019  
*Davidsons Assurance Services Pty Ltd*  
101 West Fyans Street  
Geelong, Victoria 3220

# AUDITOR'S REPORT



## AUDITORS INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN BRICK AND BLOCKLAYING TRAINING FOUNDATION LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

- I. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- II. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'S. Kirtley'.

**Stephen Kirtley**

Director

Dates this 10<sup>th</sup> day of September, 2019

Davidsons Assurance Services Pty Ltd

101 West Fyans Street,

Newtown, Geelong, 3220

# FINANCIAL REPORT

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
Members and Industry Contributions		3,499,713	3,858,734
<b>Operating Costs</b>			
Group Scheme Subsidies		75,497	71,328
Direct Employment Subsidies		593,417	809,304
Marketing and Promotional Costs		147,115	295,406
Personnel Costs		1,711,168	1,466,508
Programs		62,933	49,590
		<b>2,590,130</b>	<b>2,692,136</b>
<b>Gross Surplus (Deficit)</b>		<b>909,583</b>	<b>1,166,598</b>
Interest Received		104,070	130,452
Sundry Income		18,092	38,071
Administration Expense	2	(1,041,910)	(925,787)
<b>Surplus (Deficit) for the year</b>		<b>(10,165)</b>	<b>409,334</b>

The accompanying notes form part of these financial statements.

# FINANCIAL REPORT

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,424,283	5,122,544
Trade and other receivables	4	599,564	788,822
Sundry debtors		72,407	19,802
Accrued income		47,321	56,378
<b>TOTAL CURRENT ASSETS</b>		<b>5,143,575</b>	<b>5,987,546</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	771,714	460,577
<b>TOTAL NON-CURRENT ASSETS</b>		<b>771,714</b>	<b>460,577</b>
<b>TOTAL ASSETS</b>		<b>5,915,289</b>	<b>6,448,123</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	285,424	463,074
Employee entitlements		169,538	160,840
Provision for future subsidies		1,243,000	1,464,600
GST payable	5	66,215	90,431
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,764,177</b>	<b>2,178,945</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee entitlements		30,797	29,198
Provision for future subsidies		775,500	885,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>806,297</b>	<b>914,198</b>
<b>TOTAL LIABILITIES</b>		<b>2,570,474</b>	<b>3,093,143</b>
<b>NET ASSETS</b>		<b>3,344,815</b>	<b>3,354,980</b>
<b>EQUITY</b>			
Retained earnings		3,354,980	2,945,646
Current year earnings		(10,165)	409,334
<b>TOTAL EQUITY</b>		<b>3,344,815</b>	<b>3,354,980</b>



# FINANCIAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	2,945,646	2,945,646
Total comprehensive income for the year	409,334	409,334
<b>Balance at 30 June 2018</b>	<b>3,354,980</b>	<b>3,354,980</b>
<b>Balance at 1 July 2018</b>	<b>3,354,980</b>	<b>3,354,980</b>
Total comprehensive income for the year	(10,165)	(10,165)
<b>Balance at 30 June 2019</b>	<b>3,344,815</b>	<b>3,344,815</b>

The accompanying notes form part of these financial statements.

# FINANCIAL REPORT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,009,110	4,317,116
Payments to suppliers and employees		(4,360,256)	(4,149,636)
Interest received		113,127	159,940
<b>Net cash provided by operating activities</b>	<b>8</b>	<b>(238,019)</b>	<b>327,420</b>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		26,432	140,909
Payment for property, plant and equipment		(486,674)	(457,781)
<b>Net cash used in investing activities</b>		<b>(460,242)</b>	<b>(316,872)</b>
Net (decrease) increase in cash held		(698,261)	10,548
Cash at beginning of financial year		5,122,544	5,111,996
<b>Cash at end of financial year</b>	<b>3</b>	<b>4,424,283</b>	<b>5,122,544</b>

The accompanying notes form part of these financial statements.

# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Australian Brick & Blocklaying Training Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The statements were authorised for issue on 26 September 2019 by the Directors of the Company.

#### Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Accounting Policies

##### A. Income Tax

No provision for income tax has been raised as ABBTF operates solely as a not-profit company and is exempt from income tax.

##### B. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15 – 50%
Motor Vehicles	15 – 22.5%
Website and Database	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### C. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

### D. Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### E. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

### F. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions for future subsidies are recognised by way of calculation of the number of apprentices supported direct and through Group Training Organisations in all states as at 30 June 2019. The calculation is determined on each apprentice's time to complete his/her 3 years of their apprenticeship, per the table below.



# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### Subsidy Provision per Apprentice

		Provision years	Provision \$
	Yr1	2	2,000
	Yr2	2	2,000
	Yr3	1	1,000
	Yr1	1.5	1,500
	Yr2	1.5	1,500
	Yr3	0.5	500

#### G. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

#### H. Revenue and Other Income

Revenue collected via the Levy Contribution is recognised based on the Contributor providing a self-assessed recipient created tax invoice. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

#### I. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### J. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### Key estimates

##### (i) Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### NOTE 2: EXPENSES

	2019	2018
	\$	\$
Administration expenses include:		
-Remuneration of auditor	13,700	11,000
-Accounting services	8,100	8,100
-Depreciation of equipment & vehicles	123,935	110,380

### NOTE 3: CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash on hand	-	900
Cash at bank	324,283	271,644
Term deposits	4,100,000	4,850,000
	<b>4,424,283</b>	<b>5,122,544</b>

#### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	4,424,283	5,122,544
	<b>4,424,283</b>	<b>5,122,544</b>

# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### NOTE 4: TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
CURRENT		
Trade receivables	599,564	788,822
	<b>599,564</b>	<b>788,822</b>

### NOTE 5: GST PAYABLE/(REFUNDABLE)

	2019 \$	2018 \$
CURRENT		
GST collected	140,827	168,874
Less GST paid	(74,612)	(78,443)
	<b>66,215</b>	<b>90,431</b>

# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
PLANT AND EQUIPMENT		
Equipment at cost	111,261	123,536
Less accumulated depreciation	(51,928)	(60,240)
Total plant and equipment	<b>59,333</b>	<b>63,296</b>
Website and Database at cost	482,099	84,899
Less accumulated depreciation	(24,601)	(481)
Total website and database	<b>457,498</b>	<b>84,418</b>
Motor vehicles at cost	388,416	387,564
Less accumulated depreciation	(133,533)	(74,701)
Total motor vehicles	254,883	312,863
Total Property, Plant and Equipment	<b>771,714</b>	<b>460,577</b>
NOTE 7: TRADE AND OTHER PAYABLES CURRENT		
Trade payables	99,995	151,868
Sundry payables and accrued expenses	185,429	311,206
	<b>285,424</b>	<b>463,074</b>



# FINANCIAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

### NOTE 8: CASH FLOW INFORMATION

	2019	2018
	\$	\$
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX</b>		
Profit after income tax	(10,165)	409,334
Non-cash flows in profit:		
— Depreciation	123,935	110,380
— (gain)/loss on sale of plant and equipment	25,170	(7,435)
Changes in assets and liabilities:		
— (increase)/decrease in receivables	145,711	46,598
— Increase/(decrease) in payables	(51,874)	44,663
— Increase/(decrease) in accrued expenses	(456,877)	(285,649)
— Increase/(decrease) in employee entitlements	10,297	4,320
— increase/(decrease) in GST liabilities	(24,216)	5,209
	<b>(238,019)</b>	<b>327,420</b>



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