

ANNUAL REPORT 2019-2020



Supporting the next generation of bricklayers



Directory

Registered Office and Postal Address

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1300 66 44 96

Chief Executive Officer

Michael Morrissey

**Executive Assistant &
Company Secretary**

Susan Johnsen

National Manager

Tony Bishop

WA Manager

Dean Pearson

**National Business
Development Officer**

Ayesha Dadlani

Accountant

Canny Group

Auditor

Davidsons Assurance Services Pty Ltd

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becomeabricklayer.com.au
1300 66 44 96





THE BIGGER PICTURE.



CEO'S MESSAGE

INTRODUCTION FROM OUR CEO



I am very proud to lead an organisation that is assisting and supporting a range of industry areas that are closely interconnected.

From my many years of experience in operations, especially in manufacturing, I understand that a healthy and sustainable brick and block industry requires strength in all sectors, from the teachers, the trade training organisations, the apprentices, the tradespeople, the building product manufacturing crews and finally, the builders. Without all these sectors being strong, the remainder would struggle. ABBTF's fundamental role is to sustain the incoming supply of brick and block laying trades, to ensure all the parts of this important industry prosper.

It has been a challenging year to join ABBTF due to the onset of COVID 19 in March, which impacted all businesses throughout Australia. Our staff, have had to adapt to new ways of working from home. This has especially impacted the team in Melbourne where the restrictions have been imposed for an extended period. Fortunately, HIA and MBA have been very proactive in lobbying the Governments to keep most construction sites open. We did, however, go back to the drawing board on how to continue operating while we were unable to run our programs in schools, TAFEs and other training organisations. Developing a remote working strategy required an intensified effort in bolstering our digital channels and leveraging our relationships with past and present employers. This paid off as we were able to continue recruiting apprentices and placing candidates into work experience trials.

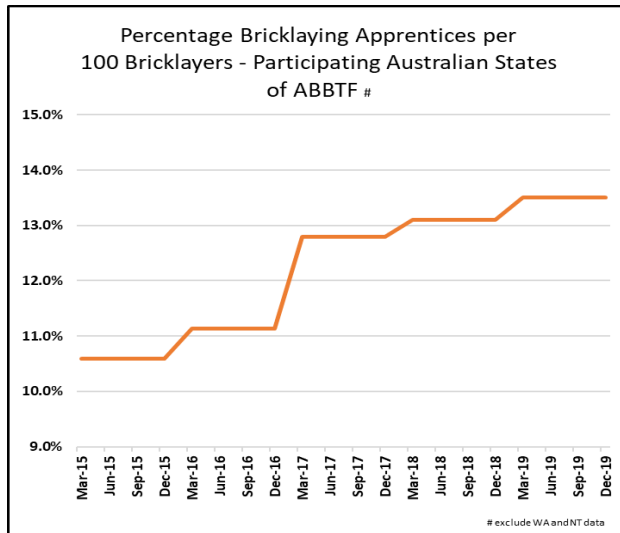
Many people are interested in how ABBTF is performing and whether the funds we have received are making a difference. Looking at the growing proportion of apprentices in our workforce, ABBTF has been very successful in attracting individuals into the apprenticeship scheme and engaging with employers to encourage the uptake of apprentices.

ABBTF is uniquely placed to monitor not only the number of bricklaying apprentices in training, but also the total employment needs within the bricklaying/blocklaying industry via our ability to track the number of bricks arriving on building sites every month.



CEO'S MESSAGE

By combining this information, we were able to show that the proportion of apprentices in our workforce rose for each calendar year from 2015 to 2019, as presented in the graph below.



“Thanks to the dedicated team of ABBTF staff over the last five years, the ratio of bricklaying apprentices reached **13.5%** in 2019.”

Tim Powers, a leading researcher from Monash University, and owner of Altegis Group, Research Consultants, reviewed our data sources and calculations that sit behind this graph.

Although anecdotal, many in the VET industry claim that a healthy level of apprentices in training is 10 to 12% of the total trade workforce.

Thanks to the dedicated team of ABBTF staff over the last five years, the ratio of bricklaying apprentices reached 13.5% in 2019. Although the March quarter has just been released, 2020's first quarter reached 14.1%. With the pandemic still dominating the economic headlines, I am pleased to report that bricklaying apprentice numbers for March 2020, have remained stable – a testament to the recent government incentives, together with the ABBTF's continued efforts.

This is a great result. The graph clearly illustrates that the industry has been receiving a higher proportion of qualified bricklayers which underpins our aim of supporting quality end products in residential and commercial brick and block construction. With clear success, ABBTF, can continue to meet the ongoing demand of trade labour, thereby, maintaining support for a strong and healthy future in the brick and block industry.

One thing I have learned about the brick and block laying industry is that the tradespeople are extremely passionate about the industry and the work they do. Similarly, my team are equally passionate and very keen to continue to make a difference. Next year will present new challenges and opportunities for ABBTF and we are all confident that we can meet these with dedication to the industry.

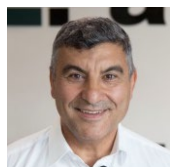
Michael Morrissey



BOARD MEMBERS



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



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



Josie Costanzo (Deputy Chairman)
General Manager
Austral Bricks Australia
Appointed: 13-11-2018



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



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



Alex Waldren
National Director
Industry Policy
Appointed: 06-03-2019



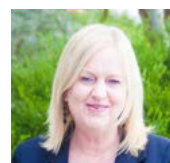
Tim Murphy
Director
Fugen Group
Appointed: 18-11-2008



Michael Morrissey
Chief Executive Officer,
Australian Brick & Blocklaying Training
Foundation Ltd
Appointed: 04-12-2019



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



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



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

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

| | | |
|----------------------|---------------------------------------------------|---------------------|
| Charlie Condo | Regional General Manager, Boral Building Products | Resigned 15-08-2019 |
| Steve Tankey | Director, Porter Davis Homes | Resigned 16-06-2020 |



ABBTF KEY OBJECTIVES

Our strength is in our apprentices and employers success.

- To improve and monitor completion rates for apprentice brick and blocklayers.
- To improve and monitor retention rates within the building industry.
- To measure, forecast and plan for demand and the number of brick and blocklayers required.
- To train sufficient numbers of brick and blocklayers taking into account completion, retention and retirement rates and industry demand.
- To gain full acceptance and support from the building industry through recognition of the benefits brick and blocklaying training provides.

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

MEMBER COMPANIES

Clay brick and concrete masonry manufacturing companies strongly support the ABBTF training scheme to provide a skilled workforce and meet 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

Adbri Masonry
Austral Bricks
Austral Masonry
PGH Bricks & Pavers

Tasmania

Adbri Masonry
Austral Bricks
Island Block & Paving

New South Wales

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

Australian Capital Territory

Adbri Masonry
Austral Bricks
Austral Masonry
PGH Bricks & Pavers

Queensland

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

Western Australia

Austral Bricks

South Australia

Adbri Masonry
Austral Bricks
Boral Masonry
PGH Bricks & Pavers

adbriMASONRY
working together

 **australbricks®**

 **australmasonry®**

 **BAINES
MASONRY**
Quality First

 **BORAL®**

 **ISLAND
BLOCK & PAVING**

islandblock.com.au

 **Namoi Valley Bricks**
"A quality brick made
in the traditional way"

 **PGH BRICKS & PAVERS™**

 **SCOTT**
BRICKWORKS TOWNSVILLE

OUR ORGANISATIONAL STRUCTURE

EXECUTIVE

Michael Morrissey

Chief Executive Officer

Susan Johnsen

Executive Assistant & Company Secretary

OPERATIONS

Tony Bishop

National Manager

Dean Pearson

Manager – WA

Tenille Reilly

Industry Engagement Officer QLD-SA

Mark Challenger

Industry Engagement Officer NSW-ACT

Jacqui Breeuwer

Industry Engagement Officer VIC-TAS

Ian Fitzgerald

Industry Engagement Officer - WA

CORPORATE FUNCTIONS

Ayesha Dadlani

National Business Development Officer

Christine Stewart

Finance Officer

Jeanine Davidzon

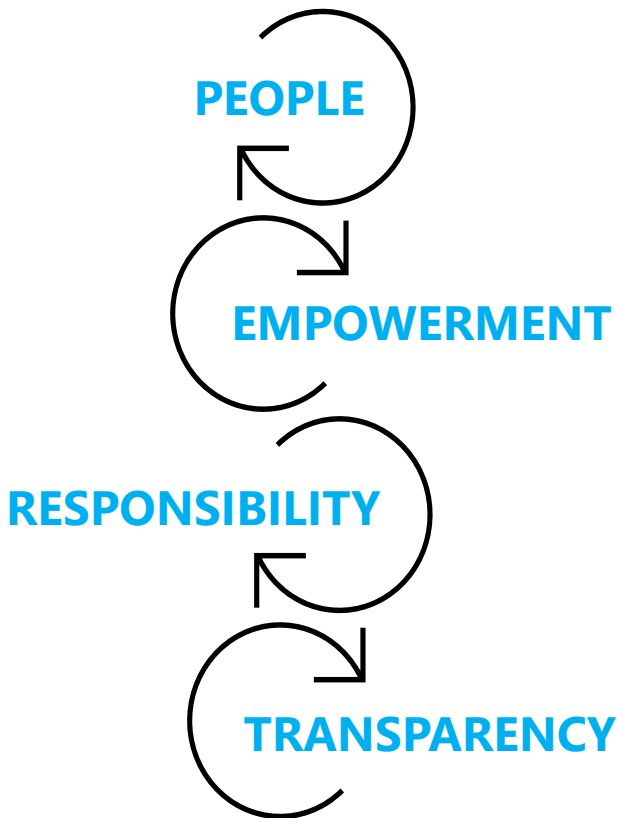
Claims Officer

Mai Nguyen

IT/CRM Support Officer



OUR APPROACH



We embrace values and behaviours that make a difference to the way we work with the community around us.

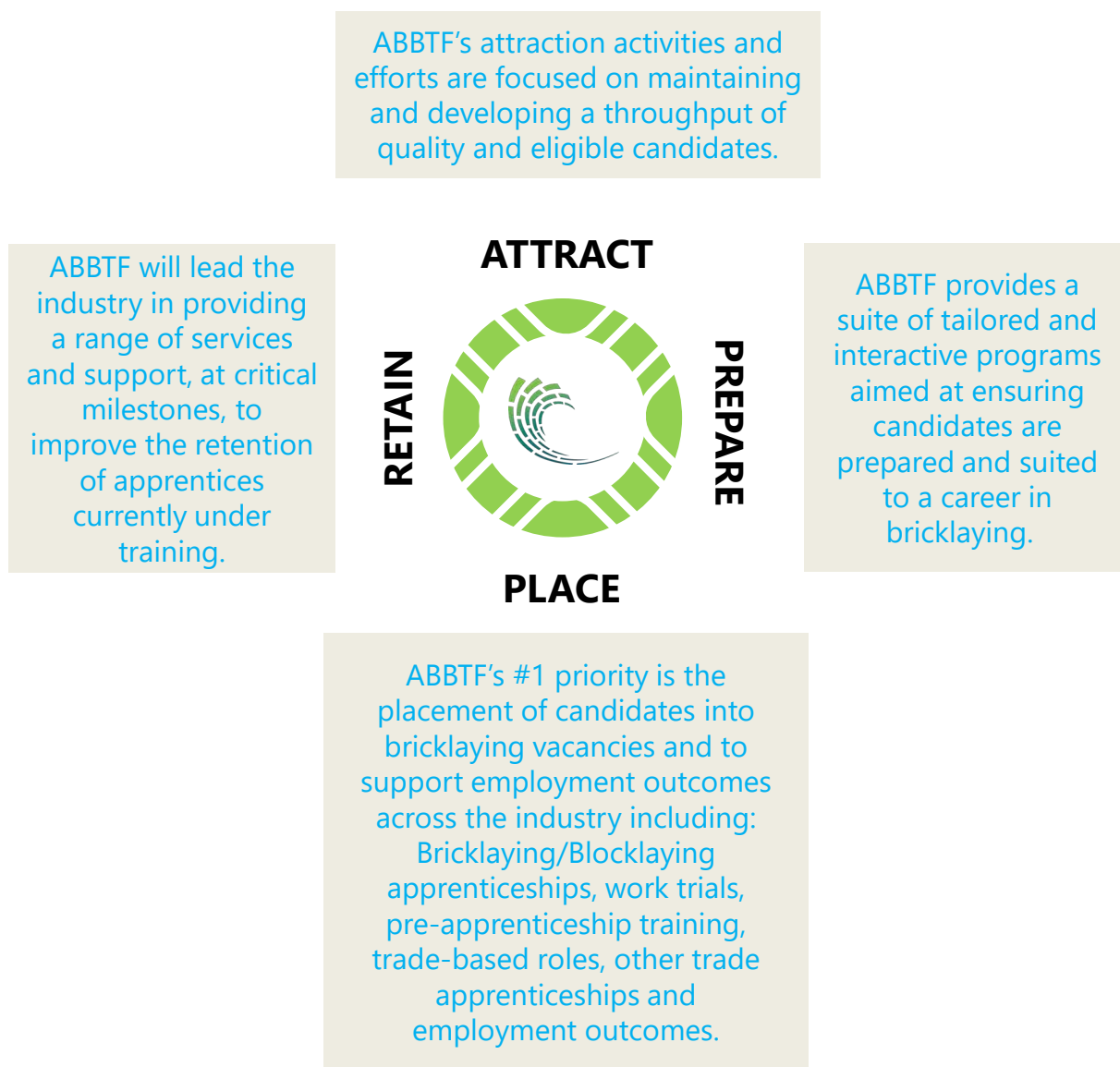
Our work is guided by our values:

- 1** We understand that people are at the core of what we do and readily accept the differences in people to create a harmonious environment. We are all responsible for creating a culture that provides an environment that is safe and fair.
- 2** We empower all staff to deliver a professional level of service that supports the delivery of operational excellence.
- 3** We are responsible to fulfil our commitment to staff and candidates with a clear understanding of the standards and accountabilities required.
- 4** We believe in open, honest and responsive communication and collaboration with all staff.

OUR MODEL

ABBTF has adopted the following purpose for its operation:

“To ensure there is an adequate and competent bricklaying/blocklaying workforce to support the demand for bricks and blocks as a construction material and improve the standing of bricklayers and blocklayers within the building industry.”



PERFORMANCE HIGHLIGHTS



FUNDING OF ABBTF PROGRAMS

The scheme is jointly funded by a levy on the sale of clay bricks and concrete masonry and a matching contribution from manufacturing members of the Foundation.

Manufacturers supporting the Foundation are:

- Adbri Masonry
- Austral Bricks
- Austral Masonry
- Baines Masonry
- Boral Masonry
- Island Block & Paving
- Namoi Valley Brickworks
- PGH Bricks & Pavers
- Scott Brickworks

The support rate is \$1.50 per thousand clay bricks delivered (\$3.00 per thousand for double height in Western Australia) and 7.5 cents per square metre in the wall for concrete masonry products. There is no concrete masonry levy in Western Australia.

The levy and matching contributions are paid monthly to Canny Group Accounting. An independent levy audit process is in place to validate application of the formulas and amounts paid.

The levy was re-authorised by the Australian Competition and Consumer Commission (ACCC) on 3 July 2014 following a submission by ABBTF.

Principle Activities

The principle activities of the Foundation are to address the skill shortage in bricklaying by promoting the benefits of training, the career opportunities available and supporting employers in the recruiting, training and employment of apprentices.

No significant changes in the nature of activities occurred during the year.



SPONSORSHIP

WorldSkills Australia Competition



ABBTF sponsors the WorldSkills Australia competition, both financially and through events. We are actively involved in State Regional competitions which included many Try-a-Trade and Try'aSkill events.

During the year, ABBTF sponsored Paul Coon, a Victorian bricklaying apprentice who represented Australia at the WorldSkills International Competition in Russia. As part of a team of 15 Australian apprentices and tradespeople, known as Skillaroo's, Paul competed against competitors from 66 other countries and placed eighth in the bricklaying competition in a field of 31 competitors.



**WorldSkills Australia Regional Competition
photos from WA, VIC & QLD.**



worldskills
Australia

SPONSORSHIP

Golden Trowel Competition

In October 2019, Think Brick Australia conducted their successful Concrete Masonry Association's Golden Trowel competition on the Gold Coast.

This is a key national event to bring together the best block laying apprentices to compete.

ABBTF sponsored the event, assisted with the running of, and competition judging. We also held a Try-a-Trade for the general public attending the event.



SERVICES

Supporting Employers

ABBTF's Brickstart Subsidy of \$3,000 over the first three years of the apprenticeship has been a key factor in supporting apprentice training and employment.

Our staff, through Advertising, Social Media, and our Website, actively promote all the incentives currently available to employers of apprentices.



| State | ABBTF Incentive | State and Federal Incentives as of 30 th June* |
|--------------------|-----------------|-----------------------------------------------------------|
| VIC, NSW, QLD, TAS | \$3,000 | Up to \$8,000 |
| SA | \$3,000 | Up to \$18,000 includes CITB funding |
| WA | \$3,000 | Up to \$25,000 includes CTF funding |
| ACT | \$3,000 | Up to \$14,000 includes TFA funding |

*Conditions apply – see ABBTF website for details.

In addition to the specific trade incentives above, the Federal Government offer, for employers with less than 20 employees, a tax-free payment: a wage subsidy of 50% (up to a maximum of \$21,000 per trainee/apprentice) of the apprentice or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020.



Database Management

Data management is key to any business. A new CRM was launched in April 2019. It was perfected during the year and is now utilised for the tracking of all ABBTF activities from initial candidate engagement through to gaining their Certificate III Bricklaying/Blocklaying qualification.

The entire claims process is also managed over the length of the apprenticeship term via the CRM which has provided ABBTF with a centralised and proactive management tool including enhanced and personalised candidate experiences.

PROGRAMS AND EXPOS

Career Expos and Try-a-Trade Events

During the year ABBTF operational staff attended 79 careers expos and events, including many which facilitated an opportunity for school students and job seekers to try the trade.

Work Ready Programs

In conjunction with Registered Training Organisations (RTOs), and prior to COVID, ABBTF, ran 38 Work Ready Programs, a free five-day course with two purposes:

1. It allows ABBTF staff to identify good candidate matches with our current vacancies, ensuring the best possible fit with employers, and
2. It also allows the candidate to gain a feel for the trade to decide if a career in bricklaying is for them.

Both in turn, reduce the dropout rate of apprentices in the early stages of their training when they are at most risk of cancelling the apprenticeship.

Apprentice Retention

A significant impacting factor on the number of apprentices in training is the number of apprentices cancelling their apprenticeship training. Through our CRM we have been able to maintain close contact with individual apprentices who have left the trade. Unfortunately, statistics show that bricklaying, in line with all other trades, has an approximate dropout rate of 50%. ABBTF utilises a few strategies to avoid this.

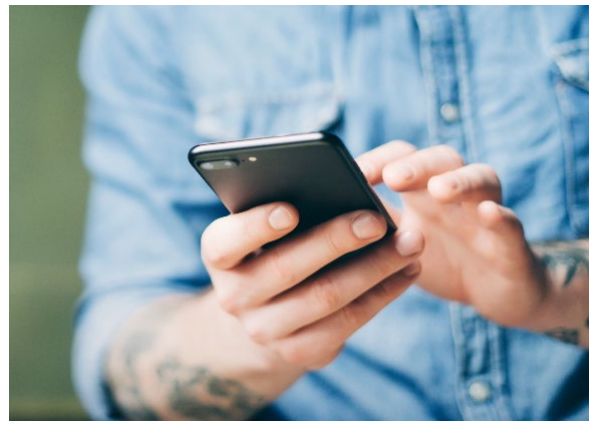
- ABBTF plays a critical role in matching the right apprentice with the best-fit employer. A good match reduces problems occurring during the early stages of the apprenticeship.
- ABBTF field staff make regular contact calls and site visits with employers, apprentices, and RTO contacts to seek out problems early. Once identified, ABBTF assist with mentoring guidance and support wherever possible. Contact calls are structured via our CRM and also forms part of our claims process.
- Finally, if an apprentice does lose their job and would like to re-enter the workforce, ABBTF assists via repositioning these Out-of-Trade apprentices with a new employer, resulting in a commencement outcome and maintaining them in the trade.



IMPROVED ONLINE EXPERIENCE

In today's digital age, ABBTF uses online channels to reach out to a range of target audiences from secondary students, job seekers, career teachers, parents, employers and other key influencers.

While our previous website had all the necessary information, we identified it was not mobile friendly, difficult to navigate, extremely slow and did not provide a satisfactory user experience. This was especially an issue with the young cohort group who primarily use their smart phones to access our website.



Become a Bricklayer Website Upgrade

"Our biggest driver for the website relaunch was to develop a streamlined and mobile first user experience."

In June 2019, the Board approved a complete upgrade of the site and the project commenced in October 2019. The new site was launched in March 2020 with great success. Our new website provides a clear message about who we are, what we do and how we support young Australians to build a career in the Construction Industry.

What's NEW

The focus of the redesign has been to keep it Simple – Clear – User Friendly – Mobile.

- Apprentices – over 70% of our apprentices use their mobiles to consume information.
- Employers – details all the support and services available from ABBTF.
- Parents and Career Advisors – we now have all the information and resources under the one page.
- User Friendly Navigation – improved navigation directs users to the information most relevant.

SIMPLIFIED NAVIGATION

Making info easy to read

CLEAN NEW DESIGN

Navigation is broken down into clear sections

USER FRIENDLY

Well planned Information Architecture

MOBILE FIRST DESIGN

Compatible on multiple devices - your phone, tablet or desktop

DIGITAL STRATEGY REFORMED

After launching the refreshed website, ABBTF focused on the digital marketing strategies to optimise our traffic and target audiences. Our digital strategy is to tailor our website to maximise traffic from:

- Candidates aged 15 and above.
- Young people looking for apprenticeships.
- Key influencers such as parents, friends, and teachers.
- Educators such as career advisors and apprentice support staff.
- Employers needing the latest information on apprentice employment conditions.

Especially during this COVID period, all sectors of our community are turning, even more, to online information. Our strategy is to move away from print media and increase easy access to our online content.

Studies show that young people best respond to graphics and video. As a result, we are continuously exploring ways to increase these forms of media to attract more attention to our messages.

ABBTF is looking forward to meeting the challenging future by expanding our digital marketing footprint in the coming year.



NATIONAL OVERVIEW

Australian Labour Market

The Federal Department of Education, Skills and Employment carries out research to identify skill shortages in the Australian labour market. The list is used to identify trades in shortage and eligibility for overseas candidates to apply for General Skilled Migration visas to live and work in Australia. Their current rating is that a skill shortage in bricklaying remains, which allows ABBTF to promote the eligibility of the Federal Government Identified Skills Shortage Payment to our brick and blocklaying employers.

Vacancies continued to be stable in all Eastern States and South Australia. Our field staff regularly check employers in our database and actively seek new employers to encourage the uptake of apprentice brick and blocklayers. Vacancies in Western Australia continued to rise towards the end of the year. In December 2019 in Western Australia there were six vacancies, this increased to 36 at the end of June 2020 with the market experiencing a period of strong growth.

The reduction in trade shortages has seen a reduction in the cost to lay bricks and blocks. This was predominately in Queensland and New South Wales as the market softened prior to the COVID period.

At the commencement of the COVID period in March 2020, there was an increase in apprentice vacancies due to many employers seeking labour to meet the initial building demands at that time.

Government Funding

It was a period of changing perceptions for Governments around Australia as they realised the need to strengthen the skills to meet a changing labour market. Following on from the Prime Ministers review of the VET system led by the Hon. Steven Joyce in March 2019, more attention was given to boosting the appeal of trades in Australia, including breaking down perceptions that tertiary education was the most important career path for school leavers.

ABBTF has actively sourced Government Funding initiatives and opportunities to contribute to the cost of our programs. This was achieved through cash grants and the running of external programs.

During the COVID period, ABBTF reduced its office work hours and was financially assisted with the Federal Government Cash Boost and JobKeeper Payment schemes.



NATIONAL OVERVIEW – OPERATIONAL

| Apprentices by State | | Year 1 | Year 2 | Year 3 | Year 4 | Total |
|----------------------|-----------------|--------|--------|--------|--------|-------|
| VIC | Total Supported | 135 | 144 | 141 | 3 | 423 |
| NSW | Total Supported | 105 | 76 | 91 | 55 | 327 |
| ACT | Total Supported | 6 | 3 | 5 | - | 14 |
| QLD | Total Supported | 61 | 54 | 47 | 55 | 217 |
| TAS | Total Supported | 16 | 16 | 8 | 2 | 42 |
| SA | Total Supported | 36 | 21 | 27 | 12 | 96 |
| WA | Total Supported | 41 | 31 | 27 | 8 | 107 |
| TOTAL | Total Supported | 400 | 345 | 346 | 135 | 1,226 |

At 30 June 2020 ABBTF Supported 1,226 Apprentices Nationally

Apprentice bricklayer numbers In-Training based on data from the National Centre for Vocational Education Research (NCVER) as at December 2019 was 1,967 In-Training, of which ABBTF supported approx. 70%.



DIRECTORS REPORT

FINANCIAL RESULTS

The surplus, as a result of the operating activities for the year 2019/20, was \$237,018 (surplus) against a budgeted \$530,294 (deficit). 2018/19 was \$10,165 (deficit).

Contributions from industry and member companies were down 11.5% on the year prior due to the continuing slowing of residential building activity in the Eastern States. Incentive payments from the Federal and State Governments totalled \$134,500 during the COVID period until 30 June 2020. ABBTF were eligible for the JobKeeper scheme from April 2020.

Subsidy payments to apprentice employers were in line with last year.

Operating costs were 13.7% below the previous year, due to the reduced costs in the fourth quarter during the various stages of the COVID lockdown. Staff and associated costs were down in the earlier part of the period due to some positions being vacant.

The company is exempt from paying income tax.

NEW APPRENTICESHIP OUTCOMES

433

RECOMMENCEMENT OUTCOMES

123

OTHER OUTCOMES

165

TOTAL OUTCOMES

721

The number of known rolling vacancies for brick and blocklaying apprentices across Australia is estimated, at 30 June 2020, at 139 with new vacancies identified as these are filled.

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



DIRECTORS REPORT

YEAR ENDED 30 JUNE 2020

Working with the Brick and Block Manufacturers and the Builders

ABBTF understand the important part that the manufacturers, builders, and contractors play in paying and collecting the levy.

To create a better understanding where their funds are being utilised, ABBTF has created marketing material detailing our support services. This material was designed to allow a brick or block salesperson to clearly communicate why the levy is necessary to support ABBTF's initiatives and outcomes in terms of – Attract – Prepare – Place – Retain, including our programs and mentoring of apprentices and their employers.

ABBTF Teamwork

To quote a staff member:

"If it was easy to recruit bricklayers, they wouldn't need ABBTF. Finding young talent that would otherwise move to other trades is what we do best".

Our staff are passionate and dedicated to the brick and blocklaying industry. Their wealth of experience, caring for apprentices and networking abilities make ABBTF successful.

From all the Board members, thank you for your efforts during the year.

Dividends

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

Significant Changes During the Financial Year 2019/2020

COVID

- In March 2020, ABBTF started working within the State and Federal restrictions.
- Cost controls were put in place.
- Most programs planned since March were put on hold or cancelled.
- Field staff increased the contact with employers and apprentices and successfully managed to maintain apprentice numbers during this period.
- Vacancies continued to be filled in most States, allowing ABBTF to continue with their strategy to attract suitable candidates to the brick and block industry.
- ABBTF was entitled to JobKeeper, helping to maintain staff employment during the period.

DIRECTORS REPORT

YEAR ENDED 30 JUNE 2020

Matters Subsequent to Balance Date

Since 30 June 2020, the following subsequential matters have taken place causing changes to the operation of the company in FY21:

- ABBTF, like the rest of Australia from the start of FY21, will continue to be impacted by the State and Federal Restrictions put in place to manage the spread of COVID.
- In July 2020, ABBTF undertook the process of outsourcing our Work Ready Programs. Being more cost effective and more flexible to meet the market demand based on where the vacancies are. The restructure lead to a reduction in staff of Field Officers with an overall cost benefit. The savings are being redirected into other programs that achieve the goals set.

There are no other matters or circumstances which have arisen since 30 June 2020 that have significantly affected, or may significantly impact 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 ABBTF's 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 |  | Michael Morrissey |

Dated this 24th day of August 2020.

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 2020 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 

Michael Morrissey

Dated this 24th day of August 2020.

AUDITOR'S REPORT



/ EST.1905

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 2020, 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 2020, 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

Dated this 11th day of September, 2020

Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong, Victoria 3220

/ GEELONG

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PO Box 386
Geelong VIC 3220
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/ TORQUAY

6 Walker Street
PO Box 125
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/ DIRECTORS

Stephen Wight CA
Stephen Kirtley CA

Davidsons Assurance Services Pty Ltd
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AUDITOR'S REPORT



/ EST.1905

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 2020 there have been:

- I. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- I. 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

Dated this 12th day of August, 2020

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Newtown, Geelong, 3220

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FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|---------------------------------------|------|----------------|-----------------|
| Income | | | |
| Members and Industry Contributions | | 3,096,682 | 3,499,713 |
| Operating Costs | | | |
| Group Scheme Subsidies | | 94,655 | 75,497 |
| Direct Employment Subsidies | | 580,434 | 593,417 |
| Marketing and Promotional Costs | | 40,314 | 147,115 |
| Personnel Costs | | 1,546,790 | 1,711,168 |
| Programs | | 52,779 | 62,933 |
| | | 2,314,972 | 2,590,130 |
| Gross Surplus (Deficit) | | 781,710 | 909,583 |
| Interest Received | | 83,678 | 104,070 |
| Sundry Income | | 286,134 | 18,092 |
| Administration Expense | 2 | (914,504) | (1,041,910) |
| Surplus (Deficit) for the year | | 237,018 | (10,165) |

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 4,510,008 | 4,424,283 |
| Trade and other receivables | 4 | 522,653 | 599,564 |
| Sundry debtors | | 71,360 | 72,407 |
| Accrued income | | 28,457 | 47,321 |
| TOTAL CURRENT ASSETS | | 5,132,478 | 5,143,575 |
| NON-CURRENT ASSETS | | | |
| Property, plant, and equipment | 5 | 633,935 | 771,714 |
| TOTAL NON-CURRENT ASSETS | | 633,935 | 771,714 |
| TOTAL ASSETS | | 5,766,413 | 5,915,289 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 116,577 | 285,424 |
| Employee entitlements | | 182,958 | 169,538 |
| Provision for future subsidies | | 1,075,550 | 1,243,000 |
| GST payable | 7 | 73,450 | 66,215 |
| TOTAL CURRENT LIABILITIES | | 1,448,535 | 1,764,177 |
| NON-CURRENT LIABILITIES | | | |
| Employee entitlements | | 30,545 | 30,797 |
| Provision for future subsidies | | 705,500 | 775,500 |
| TOTAL NON-CURRENT LIABILITIES | | 736,045 | 806,297 |
| TOTAL LIABILITIES | | 2,184,580 | 2,570,474 |
| NET ASSETS | | 3,581,833 | 3,344,815 |
| EQUITY | | | |
| Retained earnings | | 3,344,815 | 3,354,980 |
| Current year earnings | | 237,018 | (10,165) |
| TOTAL EQUITY | | 3,581,833 | 3,344,815 |

The accompanying notes form part of these financial statements.



FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

| | Retained Earnings | Total |
|-----------------------------------------|----------------------|------------------|
| | \$ | \$ |
| Balance at 1 July 2018 | 3,354,980 | 3,354,980 |
| Total comprehensive income for the year | (10,165) | (10,165) |
| Balance at 30 June 2019 | 3,344,815 | 3,344,815 |
| Balance at 1 July 2019 | 3,344,815 | 3,344,815 |
| Total comprehensive income for the year | 237,018 | 237,018 |
| Balance at 30 June 2020 | 3,581,833 | 3,581,833 |

The accompanying notes form part of these financial statements.



FINANCIAL REPORT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|-----------------------------------------------------|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 3,787,518 | 4,009,110 |
| Payments to suppliers and employees | | (3,778,063) | (4,360,256) |
| Interest received | | 102,542 | 113,127 |
| Net cash provided by operating activities | 8 | 111,997 | (238,019) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 20,691 | 26,432 |
| Payment for property, plant and equipment | | (46,963) | (486,674) |
| Net cash used in investing activities | | (26,272) | (460,242) |
| Net (decrease) increase in cash held | | 85,725 | (698,261) |
| Cash at beginning of financial year | | 4,424,283 | 5,122,544 |
| Cash at end of financial year | 3 | 4,510,008 | 4,424,283 |

The accompanying notes form part of these financial statements.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 24 August 2020 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.

Australian Brick & Blocklaying Training Foundation Limited does not comply with the accounting standard AASB137 in regard to the recognition and measurement requirements of that standard. In accordance with this standard the provision for future subsidies recognised in these financial statements would be overstated.

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.



FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

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.

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 2020. The calculation is determined on each apprentice's time to complete his/her three years of their apprenticeship, per the table below.

| Subsidy Provision per Apprentice | | | |
|----------------------------------|-----|-----------------|--------------|
| | | Provision years | Provision \$ |
| Direct | Yr1 | 2 | 2,000 |
| | Yr2 | 2 | 2,000 |
| | Yr3 | 1 | 1,000 |
| GTO | Yr1 | 1.5 | 1,500 |
| | Yr2 | 1.5 | 1,500 |
| | Yr3 | 0.5 | 500 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

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.

K. COVID-19 Pandemic

COVID-19 caused a global pandemic, which impacted Australia from March 2020. Significant Government restrictions were imposed to assist in stopping the spread of the disease. Whilst restrictions are now starting to be eased, it is expected that the impact of the pandemic will continue into the foreseeable future.

These restrictions had little operational and financial impact on Australian Brick & Blocklaying Training Foundation Limited due to the nature of trade of the entity, except for all staff were required to work from home during the various state's lockdown periods. There were programs that could not be run through this time and expos were cancelled or postponed. There were some minor savings due to reduced travel by staff and the costs of the programs that could not be run.

Australian Brick & Blocklaying Training Foundation Limited was entitled to cash flow boosts and JobKeeper reimbursements from the Australian Government and also some payroll tax relief from the various states but has not received any other financial assistance.

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

| | 2020 \$ | 2019 \$ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| NOTE 2: EXPENSES | | |
| Administration expenses include: | | |
| — Remuneration of auditor | 12,500 | 13,700 |
| — Accounting services | 10,250 | 8,100 |
| — Depreciation of equipment & vehicles | 169,649 | 123,935 |
| NOTE 3: CASH AND CASH EQUIVALENTS | | |
| Cash on hand | - | - |
| Cash at bank | 560,008 | 324,283 |
| Term deposits | 3,950,000 | 4,100,000 |
| | 4,510,008 | 4,424,283 |
| 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 | 4,510,008 | 4,424,283 |
| | 4,510,008 | 4,424,283 |
| NOTE 4: TRADE AND OTHER RECEIVABLES | | |
| CURRENT | | |
| Trade receivables | 522,653 | 599,564 |
| | 522,653 | 599,564 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

| | 2020 \$ | 2019 \$ |
|----------------------------------------------|----------------|----------------|
| NOTE 5: PROPERTY, PLANT AND EQUIPMENT | | |
| PLANT AND EQUIPMENT | | |
| Equipment at cost | 111,017 | 111,261 |
| Less accumulated depreciation | (71,133) | (51,928) |
| Total plant and equipment | 39,884 | 59,333 |
| Website and Database at cost | 521,441 | 482,099 |
| Less accumulated depreciation | (116,324) | (24,601) |
| Total website and database | 405,117 | 457,498 |
| Motor vehicles at cost | 345,818 | 388,416 |
| Less accumulated depreciation | (156,884) | (133,533) |
| Total motor vehicles | 188,934 | 254,883 |
| Total Property, Plant and Equipment | 633,935 | 771,714 |
| NOTE 6: TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| Trade payables | 46,979 | 99,995 |
| Sundry payables and accrued expenses | 69,598 | 185,429 |
| | 116,577 | 285,424 |
| NOTE 7: GST PAYABLE/(REFUNDABLE) | | |
| CURRENT | | |
| GST collected | 124,038 | 140,827 |
| Less GST paid | (50,588) | (74,612) |
| | 73,450 | 66,215 |

FINANCIAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

| | 2020 \$ | 2019 \$ |
|---------------------------------------------------------------------------------|----------------|------------------|
| NOTE 8: CASH FLOW INFORMATION | | |
| Reconciliation of Cash Flow from Operations with Profit after Income Tax | | |
| Profit after income tax | 237,018 | (10,165) |
| Non-cash flows in profit: | | |
| — Depreciation | 169,649 | 123,935 |
| — (gain)/loss on sale of plant and equipment | (5,598) | 25,170 |
| Changes in assets and liabilities: | | |
| — (increase)/decrease in receivables | 96,821 | 145,711 |
| — Increase/(decrease) in payables | (53,016) | (51,874) |
| — Increase/(decrease) in accrued expenses | (353,280) | (456,877) |
| — Increase/(decrease) in employee entitlements | 13,168 | 10,297 |
| — increase/(decrease) in GST liabilities | 7,235 | (24,216) |
| | 111,997 | (238,019) |



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